Calendar No. 871

98TH CONGRESS } SENATE { REPORT
2d Session } { 98–446

JOHN F. KENNEDY CENTER AUTHORIZATIONS

MAY 15 (legislative day, MAY 14), 1984.—Ordered to be printed

Mr. STAFFORD, from the Committee on Environment and Public Works, submitted the following

REPORT

[To accompany S. 2547]

The Committee on Environment and Public Works, to which was referred the bill (S. 2547) authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE LEGISLATION

The legislation would amend the John F. Kennedy Center Act (Public Law 85–874; 20 U.S.C. 761) to authorize appropriations in the amount of $4,621,000 for fiscal year 1985 and such sums as are necessary for fiscal year 1986 to the Secretary of the Interior, acting through the National Park Service, to provide maintenance, security, information, interpretation, janitorial, and other services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts.

BACKGROUND AND NEED FOR THE LEGISLATION

Section 10 of the Public Buildings Amendments of 1972 (Public Law 92–313) amended the John F. Kennedy Center Act stating:

> The Secretary of the Interior, acting through the National Park Service, shall provide maintenance, security, information, interpretation, janitorial and all other services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts.

The same provision authorized funds to support such services through June 20, 1973. Congress has periodically extended the author-

S323-3

ity of the 1972 amendments and authorized and appropriated funds for this purpose through fiscal year 1983.

Without additional appropriations, the Park Service cannot continue beyond September 30, 1984, to exercise the responsibility required of it by law. Without such services, the building, equipment, and grounds would deteriorate and necessitate extensive and costly repairs.

On March 23, 1984, the Department of the Interior transmitted draft legislation to extend the authorization of appropriations through fiscal year 1986.

HEARING

The full committee held a hearing on this measure on April 26, 1984.

ROLLCALL VOTES

Section 7(b) of rule XXVI of the Standing Rules of the Senate and the rules of the Committee on Environment and Public Works require that any rollcall votes be noted in this report. There were no rollcall votes taken during committee consideration of this measure. The bill was approved by voice vote.

COST OF THE LEGISLATION

Section 403 of the Congressional Budget and Impoundment Control Act requires that an estimate of the cost of the bill as reported be prepared by the Congressional Budget Office. That estimate follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 11, 1984.

Hon. ROBERT T. STAFFORD,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for S. 2547, a bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ERIC HANUSHEK
(For Rudolph G. Penner, Director).

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

MAY 11, 1984.

1. Bill number: S. 2547.
2. Bill title: A bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

3. Bill status: As ordered reported by the Senate Committee on Environment and Public Works, May 8, 1984.

4. Bill purpose: S. 2547 authorizes fiscal year 1985 appropriations of $4.621 million for the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts. The bill also authorizes the appropriation of such sums as may be necessary for fiscal year 1986. The 1985 authorization is the same as the President's budget request, and is about 2 percent above the $4.542 million appropriated to date for fiscal year 1984.

5. Estimated cost to the Federal Government:

	Millions
Authorization level:	
Fiscal year:	
1985	$4.6
1986	4.8
1987	-----
1988	-----
1989	-----
Estimated outlays:	
Fiscal year:	
1985	3.7
1986	4.3
1987	1.0
1988	.4
1989	-----

The costs of this bill fall within budget function 300.

Basis of estimate: The authorization level for fiscal year 1985 is that stated in the bill. For 1986, the authorization level is the 1985 authorization, adjusted for inflation. It is assumed that the full amounts will be appropriated prior to the beginning of each fiscal year. Outlays are estimated based on historical spending patterns for this program.

6. Estimated cost to State and local governments: None.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Deb Reis.

10. Estimate approved by: C. G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

EVALUATION OF REGULATORY IMPACT

In accordance with section 11(b) of rule XXVI of the Standing Rules of the Senate, the committee has evaluated the regulatory impact of the bill. This legislation creates no new regulatory requirements.

CHANGES IN EXISTING LAW

In compliance with section 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows: Existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman:

JOHN F. KENNEDY CENTER ACT

* * * * * * *

SEC. 6. (e) The Secretary of the Interior, acting through the National Park Service, shall provide maintenance, security, information, interpretation, janitorial and all other services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts. There is authorized to be appropriated to carry out this subsection not to exceed $2,800,000 for the fiscal year ending June 30, 1976, $741,000 for the transition period ending September 30, 1977, and $4,000,000 for the fiscal year ending September 30, 1978. There is authorized to be appropriated to carry out this subsection not to exceed $4,200,000 for the fiscal year ending September 30, 1979. There is authorized to be appropriated to carry out this subsection not to exceed $4,287,000 for the fiscal year ending September 30, 1981, and not to exceed $4,544,000 for the fiscal year ending September 30, 1982, and not to exceed $4,247,000 for the fiscal year ending September 30, 1983**[.]**, *and not to exceed $4,621,000 for the fiscal year ending September 30, 1985, and such sums as are necessary for the fiscal year ending September 30, 1986.*

○

Calendar No. 873

98th Congress *2d Sesson*	SENATE	Report 98-448

DISASTER RELIEF ACT AMENDMENTS OF 1984

REPORT

OF THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

TO ACCOMPANY

S. 2517

May 15 (legislative day, May 14), 1984—Ordered to be printed

31-010 O

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1984

S323-4

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

ROBERT T. STAFFORD, Vermont, *Chairman*

HOWARD H. BAKER, Jr., Tennessee
JOHN H. CHAFEE, Rhode Island
ALAN K. SIMPSON, Wyoming
JAMES ABDNOR, South Dakota
STEVE SYMMS, Idaho
PETE V. DOMENICI, New Mexico
DAVE DURENBERGER, Minnesota
GORDON J. HUMPHREY, New Hampshire
DANIEL J. EVANS, Washington

JENNINGS RANDOLPH, West Virginia
LLOYD BENTSEN, Texas
QUENTIN N. BURDICK, North Dakota
GARY HART, Colorado
DANIEL PATRICK MOYNIHAN, New York
GEORGE J. MITCHELL, Maine
MAX BAUCUS, Montana
FRANK R. LAUTENBERG, New Jersey

Bailey Guard, *Staff Director*
John W. Yago, Jr., *Minority Staff Director*

CONTENTS

Page
Background and general statement 1
Major provisions:
  Definition of "major disaster" 3
  Definition of "emergency" 3
  Authorizations of appropriations 4
  State and local cost-share 4
  Hazard mitigation 5
  Grants for small projects 5
  Flexible-funding option 5
  Preparedness planning grants 5
  Individual and family grant program 6
  Flood insurance 6
  Recovery of funds 6
  Unemployment assistance 6
  Resource-tested benefit programs 6
  Contractor's responsibilities 7
  Temporary housing 7
  Criminal and civil penalties and audits and investigations 7
Section number cross reference table 7
Section-by-section analysis:
 Section:
    1. Short title of the bill 8
    2. Short title of the 1974 act 8
    3. Definition of "emergency" 9
    4. Federal emergency assistance programs 9
    5. Definition of "major disaster" 11
    6. Preparedness programs 11
    7. Amendments to title III 12
    8. Federal coordinating officer 12
    9. Insurance 12
    10. Duplication of benefits 13
    11. Investigatory powers and legal actions 14
    12. Major disaster assistance 15
    13. Repair and restoration of damaged facilities 16
    14. Temporary housing 20
    15. Hazard mitigation projects 21
    16. Disaster unemployment assistance 21
    17. Repayment of IFG loans 23
    18. Individual and family grant program 23
    19. Crisis counseling 23
    20. Timber sale contracts 24
    21. Monetary authorizations 24
    22. Miscellaneous amendments 24
    23. Coastal Barrier Resources Act 25
    24. Effective date 26
Hearings 26
Rollcall votes 26
Cost of legislation 27
Evaluation of regulatory impact 28
Changes in existing law 28

Calendar No. 873

98TH CONGRESS
2d Session

SENATE

REPORT
98-448

DISASTER RELIEF ACT AMENDMENTS OF 1984

MAY 15 (legislative day, MAY 14), 1984.—Ordered to be printed

Mr. HUMPHREY, from the Committee on Environment and Public Works, submitted the following

REPORT

[To accompany S. 2517]

The Committee on Environment and Public Works, to which was referred the bill (S. 2517) to amend the Disaster Relief Act of 1974, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

BACKGROUND AND GENERAL STATEMENT

In 1950 the Congress enacted the first disaster relief program to provide permanent statutory authority for the President to declare a "major disaster", setting in motion a program of Federal assistance. Prior to 1950 assistance was provided only in response to specific congressional action for each disaster.

The 1950 program authorized the President to provide assistance for the temporary repair of local governments' public facilities. Subsequent laws[1] have extended this assistance to include individuals and State governments and have broadened the extent of coverage to include permanent repairs of public facilities and other items. The present law contains a wide range of grants and direct assistance programs for individuals and State and local governments. In 1974 statutory authority was provided to the President to declare an "emergency" as well as a "major disaster."

---

[1] In this period Congress adopted three basic laws, the Disaster Relief Acts of 1950 (P.L. 81-875), of 1970 (P.L. 91-606) and of 1974 (P.L. 93-288). Amendments to the 1950 Act were passed in 1951 (P.L. 82-107), in 1953 (P.L. 83-134), in 1955 (P.L. 84-71), in 1962 (P.L. 87-502), in 1966 (P.L. 89-769) and in 1969 (P.L. 91-79). The 1970 Act was amended in 1971 (P.L. 92-209) and in 1972 (P.L. 92-318 and 92-385), and the 1974 Act was extended for three years in 1977 (P.L. 95-51). In addition special disaster relief acts were adopted providing assistance in 1964 for damage inflicted by the Alaskan Earthquake (P.L. 88-451) and in 1965 by floods in the Pacific Northwest States (P.L. 89-41) and by a hurricane in the Southeast Gulf States (P.L. 89-339). Aid to elementary and secondary schools for disaster losses was authorized in 1965 (P.L. 89-313) and in 1968 (P.L. 90-247). Other acts not part of the basic disaster relief laws also have provided for flood insurance, loans for disaster losses incurred by homes, businesses and farms, and other types of assistance.

Nearly all of the more than 600 declarations of major disasters in the past 30 years have been to provide Federal assistance for loss or damage attributable to one or more of the natural causes—such as volcanoes, hurricanes, and earthquakes—set forth in disaster relief laws. Nevertheless, in some instances aid has been extended by the President in situations which resulted primarily, if not entirely, from human activity rather than natural hazards.

The Federal Emergency Management Agency was established in 1979 by Executive Order. It was given authority to coordinate the Federal Government's response to all civil emergencies, whether natural or man-made in origin. In responding to this Executive branch mandate, the agency has had to rely upon the Disaster Relief Act of 1974 as the source of its statutory authority.

The Congress intended the Act to alleviate State and local conditions caused by natural catastrophes. Although non-natural catastrophes are not specifically enumerated by Section 102 of the Act, the phrase "other catastrophes" has been broadly interpreted to justify Federal assistance in response to humanly caused traumatic events. This expansion of legislative intent in the administration of the Disaster Relief Act has provoked recent Congressional concern.

Broadening the scope of the Act to cover both natural and non-natural catastrophes has strained the capacity of programs designed to respond only to natural catastrophes. Within its intended context the Act has functioned relatively well. It is comprehensive and flexible legislation, well-suited to handle the full range of natural disasters for which it was designed. It was not written, however, to respond to the occasionally catastrophic consequences of social, economic, or political activity and establishes no administrative or programmatic mechanisms to do so. For catastrophes of this sort a different emphasis is needed, and altered programs of assistance would have to be provided.

In a report to the Congress (dated December 7, 1981), "Requests for Federal Disaster Assistance Need Better Evaluation," the General Accounting Office recommends that the Congress clarify the types of incidents which may receive disaster or emergency assistance under the Act in order to improve Executive Branch administration of relief efforts.

The purposes of this bill are to clarify statutory authorities, to provide legislative sanction to the Federal Emergency Management Agency, and most importantly, to tailor the Act so that Federal responses to catastrophes of all types will be appropriate and adequate.

The Disaster Relief Act states that Federal disaster assistance is "to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby." As a prerequisite to a declaration of major disaster by the President a Governor ". . . shall furnish information on the extent and nature of State resources which have been or will be used to alleviate the conditions of the disaster, and shall certify that for the current disaster, State and local government obligations and expenditures (of which State commitments must be a significant proposition) will constitute the expenditure of a reasonable amount of the funds of such state and local governments for alleviating the damage, loss, hardship, or suffering resulting from such disaster."

There are numerous problems associated with a determination of the "reasonableness" of state and local government commitments. To overcome these problems, the Federal Emergency Management Agency adopted in May 1980 a cost-sharing policy for permanent restorative work on public facilities and for debris removal whereby the state and local governments finance 25 percent of the costs and the Federal Government bears the remaining 75 percent. The same cost-share formula applies to certain eligible private nonprofit organizations.

S. 2517 includes the cost-sharing formula. An established cost-sharing mechanism will alleviate the administrative problems associated with determining a reasonable State and local commitment for each disaster, and it will assure compliance with the statutory purpose that Federal aid be supplemental. In most disasters, it is expected that the cost share provisions of the legislation will constitute the State and local share of costs and should resolve the issue of "reasonable" commitment of resources. Only in disasters and emergencies where damage to public facilities is not significant or where debris removal is not required would additional commitment on the part of State and local jurisdictions be required.

The bill provides that the Federal Government may advance or loan the State and/or local nonfederal entities their share under compelling circumstances, such as occurrence of multiple disasters in a given jurisdiction over a short time span or the occurrence of a uniquely catastrophic disaster or emergency.

The bill also would allow the President to cancel such loans or advances when a nonfederal governmental jurisdiction demonstrates inability to repay all or part of such loans or advances three years after the disaster or emergency took place.

It has been ten years since the current Disaster Relief Act was signed into law on May 23, 1974. This bill represents the first comprehensive set of amendments to that act. Additional changes to the Act are explained elsewhere in this report.

MAJOR PROVISIONS

DEFINITION OF "MAJOR DISASTER"

The bill makes a significant change in the definition of "major disaster" in order to clarify congressional intent about the type of incidents which the President may declare as such. The redefinition of "major disaster" would permit the President to declare catastrophes which are expressly enumerated in the current definition and, in the case of catastrophes not specifically identified, only those resulting from "natural" causes.

DEFINITION OF "EMERGENCY"

The term "emergency" is redefined to authorize the President to provide Federal assistance in any instance when he determines that such assistance is essential to save lives, to protect property, public health and safety, or to lessen or avert the threat of a castastrophe. In any emergency the President must first invoke other Federal authorities available to him to meet the crisis. If there are other authorities, the role of the Federal Emergency Management Agency would be limited to providing technical assistance and coordinating the efforts of other Federal agencies under authorities granted to them under other Federal acts. Only after a determination that assistance under other Federal authorities is inadequate to meet the crisis may FEMA directly intervene. Up to $5 million in Federal assistance may be provided to FEMA for each emergency before the President is required to ask the Congress for additional authority or funds.

AUTHORIZATIONS OF APPROPRIATIONS

The bill authorizes appropriations to the President's Disaster Relief Fund in the amounts of $100 million for fiscal year 1985 and $325 million for each of the fiscal years 1986 and 1987 to carry out the disaster relief and emergency assistance programs. It authorizes appropriations to the Federal Emergency Management Agency of $6,487,000 for fiscal year 1985, $8,237,000 for fiscal year 1986, and $9,137,000 for fiscal year 1987 for related administrative expenses.

STATE AND LOCAL COST-SHARE

A major feature of the bill incorporates the requirement that State and local governments and eligible, private nonprofit organizations share the cost of permanent restorative work and debris removal at the rate of 75 percent Federal, 25 percent nonFederal. This change in the statute assures the supplemental nature of Federal aid which is a cardinal principle of the underlying Act. It will allay the problem of ascertaining the appropriate or "reasonable" commitment on the part of nonFederal entities which is required under the Act.

The cost-sharing provision should have the practical effect of making grantees more cost conscious and prudent in their demands and in their assessments of needs. They should also be more cost effective and may exercise tighter financial controls over planning and construction because they will have a stake in the long-term costs related to disaster projects.

In the hearings, all witnesses representing nonFederal governmental jurisdictions testified that cost-sharing could devastate the budget of a local government stricken by concurrent, multiple major disasters over a short period or by a single disaster of exceptionally castastrophic proportions. S. 2517 permits the President to cancel a loan or advance made to meet the nonFederal cost-sharing requirements if, after three years, an applicant demonstrates substantial and continuing inability to repay all or part of the commitment.

HAZARD MITIGATION

The bill directs for the first time that the States include hazard mitigation programs and an evaluation of natural hazards in their disaster plans. It also precludes Federal assistance for repair or replacement of public facilities unless the affected governmental jurisdiction agrees to replacement in compliance with environmental protection, floodplain management and hazard mitigation criteria.

The bill also establishes a program of hazard mitigation. Federal agencies—acting with State and local governments—would initiate measures to minimize the potential for recurrence of damages resulting from disasters. The immediate post-disaster situation often presents many opportunities to alleviate future risks. Under the provisions of the bill, FEMA could contribute 50 percent of the cost of mitigation measures, the balance to be contributed by the appropriate State or local jurisdiction. FEMA could expend up to 2.5 percent of the total expenditures for permanent restorative public assistance for hazard mitigation. Given the budgetary problems of the Federal government, this amount is modest in terms of substantial needs. On the other hand, such a hazard mitigation program would provide potential long-term savings to the Federal, State, and local governments far greater than the modest cost figures would indicate.

GRANTS FOR SMALL PROJECTS

The bill expands the so-called "small project grant" provision whereby applicants are eligible to receive a "block grant" for all damaged or destroyed facilities whenever the cumulative estimated costs for all projects belonging to the applicant do not exceed $25,000. The new provisions permit such grants for each individual "small project." These provisions should reduce the burden of administrative costs and delays for small projects. It is estimated that approximately 90 percent of all funds expended, could be included under the new project grant mechanism created by these changes.

FLEXIBLE-FUNDING OPTION

The bill would also give greater flexibility to State and local governments to choose the type of facilities that would be replaced following a disaster. Under current law, there is a heavy penalty for a State or local government that elects to replace a destroyed public facility by constructing a new one which serves a different purpose. Given demographic and other rapid social and economic changes, it is important to allow governmental jurisdictions to build to meet their current and projected needs rather than encouraging local governments to replace outdated facilities. Scarce capital expenditures should be directed into their highest and best use in a dynamic society.

PREPAREDNESS PLANNING GRANTS

In order to assist States in updating and improving their disaster and emergency plans, the bill also increases the Federal matching grant authority for preparedness planning from $25,000 to $50,000 per year. This increased Federal funding should facilitate better planning and preparedness. Better preparedness plans, when carried out effectively, can often alleviate hardships and reduce damages in disasters.

INDIVIDUAL AND FAMILY GRANT PROGRAM

The Individual and Family Grant Program is administered by the States, with the Federal Government reimbursing the States for 75 percent of the grants. It also reimburses the States for up to 3 percent of the total cost of the grant program for administrative expenses. Actual costs run much higher. Many States cannot process applications and complete the program in a timely manner with this limited reimbursement. Consequently, the program—which is designed to meet essential and necessary expenses of individuals and families—has often been delayed for months.

The bill enables the Federal Government to provide additional reimbursement for one half of the administrative cost exceeding the 3 percent limit, after prompt and efficient program completion has been demonstrated.

FLOOD INSURANCE

The bill would deny Federal assistance to State and local governments for the repair or replacement of their public facilities to the extent that damage for which assistance is requested could have been compensated by reasonably available, adequate and necessary flood insurance. The Committee is informed that in some cases governmental jurisdictions have made a deliberate decision not to insure because Federal financial assistance is available following a catastrophe. While hazards other than flooding are not covered by this provision, flooding generally encompasses 90 percent of disaster declarations, and there is an established flood insurance program.

RECOVERY OF FUNDS

The bill authorizes the Attorney General to bring suit to recover disaster relief and emergency expenditures from parties who have caused major disasters or emergencies or contributed to the effects of such catastrophes. Section 11 adds a new section 316 to the Act to clarify the authority of the United States to institute such actions.

UNEMPLOYMENT ASSISTANCE

The bill makes unemployment assistance available under this Act consistent with unemployment compensation laws administered by the Department of Labor.

RESOURCE TESTED BENEFIT PROGRAMS

The bill amends the Act to clarify that disaster assistance received by individuals shall not be counted as income in determining eligibility for welfare benefits or other resource tested benefit programs.

CONTRACTORS' RESPONSIBILITIES

The bill adds language to the Act to deny Federal assistance for projects that were under construction at the time of the disaster and which, under contract, are the responsibility of a contractor.

TEMPORARY HOUSING

The bill makes several changes related to temporary housing. They include the elimination of the automatic one-year rent-free period for which temporary housing had been provided. Government housing would now be provided only when adequate, alternative housing is unavailable, and after considering the financial means of the applicant. In addition, Federal financial and operational responsibility for the temporary housing program is limited to 18 months from the date of a declaration. Finally, this section also enables capable and willing States and local governments to administer the temporary housing program and establishes complete Federal reimbursement of associated costs to encourage them to do so.

CRIMINAL AND CIVIL PENALTIES AND AUDITS AND INVESTIGATIONS

The bill strengthens existing authorities on criminal and civil penalties and adds specific authority and requirements for audits and investigations.

SECTION NUMBER CROSS REFERENCE TABLE

Section title	Disaster Relief Act of 1974, Section No.	S. 2517	Major Disaster Relief and Emergency Assistance Act [1] Section No.
Title I:			
Findings and Declarations	101	22(1)	101.
Definitions	102	3, 5, 22 (2)	102.
Title II:			
Preparedness Program	201	6	201.
Disaster Warnings	202		202.
Title III:		22(3)	
Procedures	301	4, 7, 12	(See 401,501.)
Rules and Regulations	302	7	301.
Coordinating Officers	303	8	302.
Emergency Support Teams	304		303.
Emergency Assistance	305	4, 7, 12	(See 402, 502.)
Cooperation of Fed. Agencies	306	4, 7, 12	(See 403, 503.)
Reimbursement	307		304.
Nonliability	308		305.
Performance of Service	309		306.
Local firms	310	22 (5)	307.
Nondiscrimination	311	7, 22 (4)	308.
Relief Organizations	312	22 (16)	309.
Priority to Certain Applications	313	22 (6), (17), (18)	310.
Insurance	314	9, 22 (7), (8)	311.
Duplication of Benefits	315	10	312.
Reviews and Reports	316	22 (9)	313.
Criminal and Civil Penalties	317	11	(See 318.)
Availability of Materials	318		314.
Protection of Environment	(See 405)	11	315.
Recovery of Funds		11	316.
Audits and Investigation		11	317.
Criminal and Civil Penalties		11	318.

SECTION NUMBER CROSS REFERENCE TABLE—Continued

Section title	Disaster Relief Act of 1974, Section No.	S. 2517	Major Disaster Relief and Emergency Assistance Act [1] Section No.
Title IV:		22 (10)	
Procedures	(See 301b)	12	401.
Federal Assistance		12	402.
Cooperation of Federal Agencies in Rendering Disaster Assistance.	(See 306; see also 419)	12	403.
Federal Facilities	401		404.
Restoration of Pub. Facilities	402 (See also 419)	13	405.
Debris Removal	403 (See also 419)	13	406.
Temporary Housing	404	14, 22 (11), (12)	407.
Protection of Environment	405	11	(See 315.)
Minimum Standards	406	15	408.
Unemployment Assistance	407	16	409.
Individual and Family Grants	408	17, 18	410.
Food Coupons	409		411
Food Commodity	410		412.
Relocation Assistance	411		413.
Legal Services	412		414.
Crisis Counseling	413	19	415.
Community Disaster Loans	414	(See 22 (15))	416.
Emergency Communications	415	22 (13)	417.
Emergency Public Transpor.	416		418.
Fire Suppression Grants	417		419.
Timber Sale Contracts	418	20	420.
In-Lieu Contribution	419	13 (405)	17.
Title V:			
Economic Recovery	501	4	
Procedures	(See 301a)	4	501.
Federal Assistance	(See 305)	4	502.
Limitation of Emergency Assistance		4	503.
Title VI:			
Rules, Gifts	601		601.
Technical Amendments	602		602.
Repeal of Existing Law	603		603.
Prior Allocation of Funds	604		604.
Effective Date (1974)	605	22 (14)	605
Authorization of Appropriations	606	21	606.
CBRA; reference		23	
Effective Date (1983)		24	

[1] Title change—see section 2 of S. 2517.

SECTION-BY-SECTION ANALYSIS

SECTION 1—SHORT TITLE OF THE BILL

"Disaster Relief Act Amendments of 1984".

SECTION 2—SHORT TITLE OF THE 1974 ACT

Section 2 changes the title of the Act from the "Disaster Relief Act of 1974" to the "Major Disaster Relief and Emergency Assistance Act." This change reflects the significant amendments to the Act made by this bill whereby two distinct, identifiable and separate programs of assistance are established: (1) programs of response and recovery following disasters (primarily of "natural" origin) are consolidated in title IV and (2) programs of response to save lives and protect public health and property in emergencies are established in a newly written title V. Administration of responses to both major disasters and emergencies is provided for in title III.

SECTION 3—DEFINITION OF "EMERGENCY"

Section 3 redefines "emergency" to mean any occasion or instance in which, in the determination of the President, Federal assistance is needed to supplement State and local efforts and capabilities to save lives and to protect property, public health and safety or to lessen or avert the threat of a catastrophe in any part of the United States. That Federal assistance is supplemental to the efforts and resources of State and local governments is a central principle in both the revised definition of "emergency" and in the new title V, "Federal Emergency Assistance Programs."

SECTION 4—FEDERAL EMERGENCY ASSISTANCE PROGRAMS

Title V of the Disaster Relief Act of 1974 added a new title VIII to the Public Works and Economic Development Act of 1965. Section 4 of the bill repeals title VIII of that Act and amends title V of the Disaster Relief Act of 1974 to add a new title, "Federal Emergency Assistance Programs."

The new title V is comprised of three sections. Section 501 provides emergency declaration procedures. Section 502 gives the President authority (1) to direct any Federeal agencies to do work under their own authorities, without reimbursement; (2) to coordinate all Federal agencies and voluntary relief organizations providing emergency assistance, (3) to coordinate emergency assistance with State and local officials, and (4) to provide technical and advisory assistance to State and local governments. Section 503 provides authority to the President to provide direct emergency assistance within stated limitations.

The new title V provides an entirely separate set of authorities for use in a Presidentially-declared "emergency." Authorities available for use in a "major disaster" are established exclusively in title IV as amended by this bill.

While title IV includes provisions for both emergency work and permanent restorative work, the authorities of title V pertain entirely to emergency work defined as assistance to save lives and protect property, public health and safety and to lessen or avert the threat of a disaster. Title V should be read in conjunction with the new definition of "emergency" made by section 3 (a) of this bill.

Under section 501(a), a declaration that an emergency exists is made by the President upon request of the Governor of the affected State. The Governor's request must be supported by information similar to that required for a request for a declaration of major disaster.

Following a declaration, under authority of section 502, the President may (a) direct any Federal agency to provide emergency assistance under its own authorities with or without reimbursement from funds appropriated to carry out this Act; (b) coordinate Federal agency and voluntary relief organization assistance and coordinate with State and local officials; (c) provide technical and advisory assistance to affected State and local governments.

In the event that the assistance provided under section 502 is insufficient to adequately supplement the efforts and resources of State and local governments, the President may provide direct emergency assistance under section 503, but such funding is limited to no more than $5 million per emergency, except in accordance with subsection (c) of section 503. Subsection (c) provides that the President may determine that additional emergency assistance is required. If such a determination is made, the President may continue to provide needed emergency assistance, but he would be required under the Act to report to the Congress and to propose additional legislation, if necessary, for coping with continuing emergency.

Section 501(b) adds a modified emergency declaration procedure for a special type of emergency. On rare occasions, there are threatening situations where the Federal Government had unique responsibilities. In such situations, section 501(b) permits the President to act without the request from a Governor. After consultation with the Governor of the affected State, if such consultation is practicable given the emergency circumstances, the President may declare an "emergency" to exist on his own initiative. As a result, the Federal Government will be able to provide assistanace to save lives and protect property, but with the same limitations as any other "emergency".

The situations where the President may need this extraordinary authority are defined by section 501(b) to be those where the United States has primary responsibility for addressing threats to life and property. These would be circumstances involving subject areas for which the United States exercises exclusive or pre-eminent responsibility and authority under the Constitution or the laws of the United States. The nature of these various situations indicate the requirement for a modified declaration procedure. The President may not be able to wait for a Governor's decisions to commit State resources and ultimately request Federal assistance. Furthermore, for practical or political reasons a Governor should not be forced to request assistance where the Federal, not the State, government has the primary responsibility for response. After the declaration, however, Federal assistance would be provided as in any other emergency. The United States would take necessary actions to assist State and local governments in coping with the immediate threats to life and property. The Federal response typically would be coordinated by FEMA and would rely on existing authorities and agency missions to the maximum extent possible.

The authorities of title V essentially permit the Federal Government to provide assistance to protection life, property and public health in a braod range of incidents. The President may respond to natural and non-natural civil emergencies or act to lessen or avert the threat of a catastrophe where supplemental assistance is required. The Administration may then, in a more deliberate manner, determine whether to provide continuing assistance and, if so, identify the proper authorities under which to provide it. For unusual types of civil emergencies for which adequate assistance does not exist, the Administration and the Congress would have more time to design and enact legislation specifically tailored to the problem.

One type of emergency assistance is temporary housing for those individuals and families who require it. In order to take advantage of the existing program developed for major disasters, temporary housing assistance in emergencies should be in conformity with regulations and guidance applicable to major disaster temporary housing operations.

SECTION 5—DEFINITION OF "MAJOR DISASTER"

Section 5 amends section 102(2) of the Act to clarify the definition of "major disaster." The amended definition limits those catastrophes for which a Presidential declaration of "major disaster" may be made to those events explicitly listed in the definition contained in the 1974 Act and, with respect to catastrophes not expressly identified, only those resulting from natural causes.

The amended definition of "major disaster" also increases the flexibility of response under a disaster declaration. Current law classifies major disaster assistance as being "above and beyond emergency services by the Federal Government." By deleting this restrictive reference to emergency services, section 102(2), as amended, permits Federal emergency services as a viable immediate response to a major disaster once a Presidential declaration has been made.

The combined effect of the changes to the definitions of "major disaster" and "emergency" and the addition of the new title V is to establish separate statutory authority for providing supplemental Federal assistance in two distinct types of situations. Title III contains administrative provisions which apply to both major disasters and emergencies. Title IV authorizes a broad range of authorities for the Federal Government to provide assistance to supplement the efforts and available resources of State and local governments in carrying out their responsibilities for relieving damage, loss, hardship and suffering in the aftermath of major disasters. The new title V authorizes the Federal Government to provide limited assistance, namely to save lives and protect property, public health and safety, or to lessen or avert the threat of a catastrophe, to supplement the efforts and capabilities of State and local governments in coping with their responsibilities in a much broader range of incidents, including natural and non-natural events.

SECTION 6—PREPAREDNESS PROGRAMS

Section 6 amends title II of the Disaster Relief Act of 1974 in the following manner:

(1) It eliminates the reference to the Defense Civil Preparedness Agency (an agency whose functions were transferred to the Federal Emergency Management Agency in 1979).

(2) It requires for the first time that the States include natural hazard evaluation and mitigation elements as a part of their State disaster plans when updated and improved with section 201(d) Federal matching grants.

(3) It increases the Federal matching grant authority from $25,000 to $50,000 for section 210(d) grants. This increased Federal

assistance for planning should facilitate better planning and preparedness, especially in combination with the new provision of hazard mitigation measures. Better planning and preparedness could reduce losses in disasters and expenditures in recovery. The increase will enable States to improve and update their disaster and emergency plans and facilitate their assumption of a larger role in response and recovery.

SECTION 7—CHANGES TO TITLE III

Section 7 deletes sections 301, 305, 306 and the first two sentences of section 302(a), while retaining the authority to have work done by other Federal agencies with or without reimbursement. Section 7 also changes the title of section 302 (new section 301) and eliminates "economic status" from the nondiscrimination provision, section 311 (new section 308).

These changes reflect the reorganization of the Act. Most of the provisions of sections 301, 305, 306 and the first two sentences of 302 are merely transferred to other sections of the Act as amended.

SECTION 8—FEDERAL COORDINATING OFFICER

Section 8 amends section 303 (new section 302) by providing, by statute, for a Federal coordinating officer for an emergency as well as a major disaster, and by specifically identifying the Federal coordinating officer as the President's representative. By recognizing the status, function and accountability of the Federal coordinating officer, section 8 should facilitate the efficient administration of the position's responsibilities.

SECTION 9—INSURANCE

Section 9 adds a new subsection to section 314 of the Act (42 U.S.C. 5154) to encourage States, local governments and eligible private nonprofit organizations to obtain flood insurance, typically through the National Flood Insurance Program, to protect their insurable property against foreseeable flood hazards. It also limits Federal assistance under the Act to such entities not exercising prudent judgment by insuring against loss.

The Disaster Relief Act of 1974 stipulates that State and local governments be encouraged to protect themselves by obtaining insurance to supplement or replace government assistance. However, they are not required to insure against initial losses to property as prerequisite to receiving disaster relief. Insurance, if available, is required only after a first disaster has occurred. Therefore, in some instances, the Committee has been informed that a deliberate decision has been made by responsible officials not to insure, or to underinsure property.

Section 9 requires that, as a condition for receiving Federal public disaster assistance, State and local governments have in force appropriate flood insurance, as is reasonably available, adequate and necessary to protect against loss of public buildings, facilities and equipment.

The denial of assistance for an applican't failure to obtain flood insurance relates only to insurable damage for which compensation could have been received. In other words, an applicant who is penalized would not necessarily lose eligibility for all disaster assistance.

The Committee expects FEMA to provide timely and adequate notification regarding these new flood insurance requirements to the public officials of communities having special flood hazard areas. This section should not be implemented until governmental jurisdictions have been thoroughly informed about it and its consequences and until they have had reasonable time to obtain insurance protection.

SECTION 10—DUPLICATION OF BENEFITS

Section 10 amends section 315 (new section 312) which relates to preventing and remedying duplications of benefits in disaster relief. Section 312(a) modifies and expands the requirements of current section 315 (a) and (b) to prevent duplications of benefits by Federal agencies. Section 312(a) places the responsibility for preventative action directly on each agency or organization which provides or adiminsters disaster assistance under its own authorities. FEMA would retain the responsibility for preventing duplications of benefits when disaster assistance is provided or performed under mission asssignment by another agency or organization. The President (FEMA) would take action to ensure uniformity of procedures. Section 312(a) explicitly requires prevention of duplications in emergencies as well as major disasters. It also seeks to prevent an applicant from receiving Federal disaster assistance where insurance did, or should have, provided benefits for the same purpose.

A recent study performed by FEMA indicates that in some cases, disaster assistance provided what should have been covered by an applicant's insurance. It appears that insurance companies are not paying claims in a timely manner, or that applicants are not filing claims for items which should have been covered. The new feature of section 312(a) gives FEMA and other disaster assistance agencies and organizations a strong new mandate to provide disaster assistance only when insurance proceeds to which a person is entitled have been considered and the need for supplemental assistance remains. In addition, new subsection (a) would permit grants of disaster assistance where it is clear that an applicant for such assistance who is or may be eligible for relief from insurance or any other sources will not receive such other assistance until some later date. Under these circumstances disaster assistance may be delivered, but upon the condition that the recipient of the assistance agreed to repay subsequently-received duplicative benefits.

Section 312(b) requires Federal disaster assistance agencies and organizations administering Federal disaster programs to collect duplicative benefits when the preventative measures taken under subsection (a) fail. The requirement applies to emergencies as well as major disasters and would remedy duplications between Federal programs and among Federal programs, insurance and other sources. Under current section 315(c) which new section 312(b) replaces, only the President (FEMA) is vested with authority to recover duplications, and only when the duplication involves funds provided under the Disaster Relief Act would section 312(b) for the first time, provide comprehensive authority requiring the recovery of duplications arising under all Federal disaster programs.

Section 312(c) provides that Federal and other disaster assistance shall not be considered as income or resources in the context of federally-funded income assistance or welfare benefits as a result of their receipt of disaster assistance. Section 312(c) is also not intended to apply to recipients of assistance pursuant to section 409(a) who, after having exhausted eligibility for disaster unemployment assistance, establish or renew eligibility for unemployment compensation within the fifty-two week benefit period section 409(a) defines.

SECTION 11—INVESTIGATORY POWERS AND LEGAL ACTION

Section 11 renumbers current section 405 as new section 315 and makes conforming changes; adds new authority for the Attorney General to institute suits to recovery disaster assistance expenditures which are the proper responsibility of another party; adds new section 317 to give the President express authority to audit and investigate, to require audits by State and local governments and to examine financial records of any person or entity relating to disaster assistance; and renumbers as new section 318, and expands, current section 317.

New section 316 clarifies the Government's authority to being actions against parties which cause or contribute to major disasters or emergencies. It gives the Attorney General express authority to institute actions in United States District Courts to recover disaster assistance expenditures. The Supreme Court in footnote 16 to the opinion in *Wyandotte Transportation Co. et al.* v. *United States,* 389 U.S. 191 (1967), stated that the then current disaster relief legislation, 42 U.S.C. 1855–1855g (predecessor act to the Disaster Relief Act of 1974) contained no authority to sue for recovery of disaster relief expenditures. Section 316 would overcome oppostion to an action instituted by the Attorney General based on the *Wyandotte* footnote. Jurisdiction in District Courts would be expressly provided by 28 U.S.C. 1345.

Section 316, however, adds no new legal responsibilities for potential defendants. Any action brought under this section must be based on separate legal requirements such as those imposed by Federal or State statutes or regulations or common law (tort or contract, including a FEMA-State Disaster Assistance Agreement). The applicable standard of care shall be derived from such separate legal requirements. This section, by itself, does not impose strict liability or any other standard of care. It would be a matter of judicial discretion to fashion appropriate relief in addition to the repayment of Federal funds.

The Committee repeats that it does not intend that section 316 create any new legal causes for action, nor does the provision impose any responsibilities upon any person or entity other than those responsibilities which already exist. Therefore, any action brought under this section must be based upon legal responsibilities which exist independent of the Disaster Relief Act. It is the Committee's intention that this section merely clarifies the authority to initiate litigation when serious negligence or malfeasance by a third party has created serious damage.

This provision does not create any new standards of care with respect to governmental entities which are carrying out their public responsibilities in good faith. Therefore, it is the Committee's intention that the Federal Government will not seek recovery from State and local governments pursuant to this provision except in the context of grossly negligent actions. It is also the Committee's intent that recoveries against State and local governments will not be sought by the Federal Government pursuant to this provision in the context of actions required by or performed in concert with any Federal agency having disaster assistance responsibilities or in the case of local governments for actions required by or in concert with any State agency having disaster assistance responsibilities.

New section 317(a) is similar to a provision in the Labor-Management Reporting and Disclosure Act of 1959, as amended; section 317(b) is a new subsection; and section 317(c) is identical to provisions in several statutes and the regulations of several agencies, including FEMA.

New section 318 expands on the civil and criminal sanctions of current section 317. It also provides a mechanism by which the government could seek injunctive relief under appropriate circumstances. Its based for the most part on existing and tested authorities of the Federal statutes.

Section 318 (a) and (b) are based on similar provisions in the Labor-Management Reporting and Disclosure Act and are similar to current section 317(a); new section 318(c) is based upon the current section 317(c); new section 318(d) establishes an enforcement mechanism to respond to violations of the Act or its implementing regulations; section 318(e) is based on a similar provision in the Inspector General Act; and section 318(f) is a renumbering of current section 317(b).

SECTION 12—MAJOR DISASTER ASSISTANCE

Section 12 makes several organizational and substantive changes to title IV of the Disaster Relief Act of 1974. The new section 401(a) relates to the declaration process for major disasters, and it is similar to section 301(b) of the 1974 Act.

Before the President may make a declaration of "major disaster," the Governor of the affected State ". . . shall certify that for the current disaster, State and local government obligations and expenditures (of which State commitments must be a significant proportion) will constitute the expenditure of a reasonable amount of funds of such State and local government for alleviating the damage, loss, hardship, or suffering resulting from such disaster, including, but not limited to, the cost-sharing provisions pursuant to sections 405, 406, 407, and 410 to this Act." As a general rule, and in most cases, the cost-sharing provisions listed here should constitute the "reasonable amount of funds" required by this section. In the past the question of what constituted a reasonable amount of funds of State and local governments was nebulous, sometimes subject to controversy and always determined on a negotiated and case-by-case basis prior to each disaster declaration. A major purpose of establishing the cost-sharing for permanent restorative work and debris removal at the rate of 75 percent Federal, 25 percent nonfederal is to allay the problem of ascertaining the appropriate or "reasonable" commitment on the part of nonfederal entities. These cost-share provisions are designed to assume the supplemental nature of Federal assistance while resolving the question what is the appropriate level of nonfederal assistance. The phrase "including, but not limited to" (the cost-sharing provisions of section 405, 406, 407 and 410) is intended to address those unusual situations where, for example, a costly disaster does not include significant damage to public facilities or need for substantial debris removal.

Section 401(b) would authorize advances or loans of the State and local share of grants under sections 405, 406 and 407 for which there would be cost-sharing requirements; it would not affect current section 414 (new section 416) dealing with community disaster loans, or current section 408 (new section 410), dealing with Individual and Family Grants. Section 401(b) would impose stricter standards for the advance or loan of State and local share of grants made under new section 405, dealing with permanent restoration of public facilities. As a result, advances or loans of the State and local share of grants made under new section 406 (debris removal) and section 407 (temporary housing) would be more readily available than advances or loans for permanent restorative work.

Section 401(c) authorizes the President to cancel all or part of loans or advances made to State and local governments for their cost-share of permanent restoration of public facilities or debris removal. Cancellation is based on the severity of the disaster(s) and the demonstrated inability of the applicant to repay all or part of the loan or advance.

Section 401(d) directs the President to issue regulations specifying the criteria for cancelling such loans or advances.

The new section 402 is drawn from sections 302(a) and 305(b) of the 1974 Act. It authorizes the President to direct other Federal agencies to provide assistance under their own authorities, with or without reimbursement, to coordinate Federal assistance, to coordinate with State and local governments, and to provide technical and advisory assistance.

Section 403, with some changes in subsection (a)(4), is a recodification of current section 306. Subsection (a)(4) assures that all debris removal assistance, whether needed as emergency work or not, would be cost shared on a 75 percent-25 percent basis.

SECTION 13—REPAIR AND RESTORATION OF DAMAGED FACILITIES

Section 13 amends section 402 (new section 405) and section 403 (new section 406) and deletes section 419 which, in an expanded form, is incorporated in the new sections 405 and 406.

The major elements of section 402 are retained in new section 405: subsection 405(a) deals with the repair, restoration, reconstruction or replacement of public facilities, the definition of which is moved from 402(d) to new 405(a). Subsection (b) continues the eligibility of certain private nonprofit facilities. Subsection 405(c) still requires that permanent restorative work be accomplished in conformity with applicable codes, specifications and standards and adds also that such work shall be in compliance with environmental protection, floodplain management, and hazard mitigation criteria required by the President of the Coastal Barrier Resources Act, and other applicable Federal statutes. Subsection (d) continues the provision of 402(c) relating to projects under construction, except that new 405(d) precludes assistance where, under a contract, the contractor is responsible for disaster related expenses. Subsection (e) retains the flexible funding authority of old section 402(f), except the contribution is limited to 50 percent.

Section 13 imposes a 75 percent limitation on the Federal contribution for permanent restorative work on public facilities, and for debris removal. This change in the statute will help assure the supplemental nature of the Federal aid under the public assistance authorities, a principle component of the Act. The Governor, as a condition for assistance under the Act, is required to certify that the total obligation and expenditures of both State and local governments in response to a major disaster constitute a reasonable commitment. This commitment has always been difficult to ascertain.

Cost sharing by the grantees will also help provide tighter financial controls over planning and construction and help in other ways to reduce long-term project costs. It should also lead to prudent assessments of need for debris removal and permanent restorative work by State and local governments.

The Federal contribution of 75 percent presumes that a nonfederal entity will contribute 25 percent. Any grant, to which the 75 percent limitation applies, is precluded unless there is a 25 percent nonfederal contribution. That is, States and local governments may not simply limit projects to the Federal contribution. Futhermore, the underlying purposes of the cost-sharing provision would be frustrated if an applicant is permitted to receive other Federal funds in order to meet the matching requirement. However, applicants should be able to apply Federal funds when such funds were provided under general revenue sharing or broad block grant authority. In these latter situations, the applicant would still have to make decisions about where to best expend the funds under its control; this would ensure prudent applications of funds.

Section 13 retains the authority of the President contained in section 402(b) of the 1974 Act whereby assistance may be provided to eligible private nonprofit organizations to help repair or restore facilities damaged in a major disaster, except for the new expressed limitation of Federal participation at 75 percent.

Section 13 also retains the provision of section 402(c) of the 1974 Act, providing that for facilities in the process of construction when damaged or destroyed, the Federal contribution shall be based on the cost of restoring them to their predisaster condition. However, the new provision precludes costs which, under a contract, are the responsibility of a contractor.

Section 13 also amends the debris removal assistance authority of section 403 of the 1974 Act (new section 406). As with public facilities, debris removal assistance could be provided on a 75 percent to 25 percent cost-sharing ratio (except for snow removal assistance) regardless of whether the assistance is in the form of grants or direct Federal assistance.

Section 13 also amends section 402(f) as new section 405(e) to provide flexibility in replacing individual public facilities. Under section 402(f) an applicant State or local government could receive a discretionary grant based on 90 percent of the Federal estimate of the total cost of restoring or replacing all damaged public facilities within that government's jurisdiction. To this amount FEMA administratively applied the 75 percent Federal, 25 percent State and local cost-sharing formula which reduced the effective Federal contribution to 67.5 percent. Because the financial penalty associated with applications under section 402(f) pertain to all damaged public facilities and not just those requiring flexible funding, State and local governments have only infrequently taken advantage of this section of current law. FEMA reports that 2 percent of all approved applications representing 5 percent of the total dollars expended since 1974 under the Act have been approved under section 402(f).

New section 405(e) permits the decision not to replace or restore selected individual damaged facilities to their predisaster condition and use. A State or local government electing this course of action would receive a grant based on 50 percent of the Federal estimate of the net eligible cost of repairing or replacing only these facilities. This grant, representing a 50 percent Federal, 50 percent State and local cost-sharing arrangement, could then be used to construct new public facilities. An application for Federal assistance pursuant to new section 405(e) would have no effect on the level of assistance received for the repair or replacement of all other damaged or destroyed facilities pursuant to section 405(a). A statutory 75 percent Federal, 25 percent State and local cost-sharing formula would apply to grants received under section 405(a). This option is not available for "small" projects.

Section 13(b) repeals section 419 of the 1974 Act; however, it is reinstated in an expanded form. Section 419 authorizes the President to make grant payments based on the estimated cost of repairing damaged facilities whenever the cumulative estimated costs for all projects belonging to a particular applicant did not exceed $25,000. Section 13 permits grants for the estimated cost of repairing each individual "small" project. This expansion of grants for small projects will reduce the burden of administrative costs and delays for small projects. It is estimated that approximately 90 percent of all projects processed, representing less than 10 percent of all funds expended, could be included under this new small project grant mechanism. The Federal Emergency Management Agency elsewhere in this bill is given authority to perform inspections and audits on particular projects when needed to ensure the integrity of applicable programs, but detailed audits or final inspections of work completed is not routinely required for small projects.

The small project grant mechanism is incorporated into the bill by permitting contributions based on the estimated costs rather than actual costs of restoration. For "large" projects, contributions are limited to 75 percent of the net eligible cost, but for "small" projects contributions are based on the estimate of the net eligible cost of repairs or restoration. The distinction is that grants can be based on the estimate rather than having to resort to inspections and audits to determine actual costs of restoration for small projects. Small project grants must be utilized to restore or replace the damaged or destroyed public facility for which the grant was given.

Section 13(c) makes provisions for the same project grant mechanism for emergency debris removal assistance, and similar provisions are made in section 12 for emergency work in a major disaster.

The bill intentionally does not define "small projects" for which the expedited procedure may be applied. The Federal Emergency Management Agency has indicated a ceiling will be established initially at $25,000 per project. The General Accounting Office has suggested this level should be a first step.

There are some situations where the grant mechanism may be useful. In some situations net eligible costs cannot be determined. For example, there is the longstanding practice of providing a "grant in lieu" when an applicant, in restoring its capability to continue providing a service, decides to rebuild a larger or better facility. Federal assistance is permitted to the extent necessary to replace only what was lost. The difference must be provided totally by the applicant. The determination of the appropriate Federal grant must necessarily be based on an estimate. There are also other situations where actual costs are not available such as when an applicant has maintained inadequate records, where records have been destroyed or where FEMA cannot justify reimbursing what it determines to be excessive costs. Each of these situations also requires reliance on estimates.

The bill provides that Federal assistance shall be limited to the "net eligible cost" of repairing, restoring or replacing public facilities or of debris removal. There are extraordinary circumstances when certain costs should not be reimbursed. A State or local government may elect to replicate a facility using techniques or materials which are obsolete, no longer cost effective, and are not important to the function or capacity of the facility. For example, replacement of a copper roof, or marble facade, or interior murals or other ornamentation are not essential to function or capacity and should not be eligible. Assistance may also be denied for a facility which has been subjected to frequent, repetitive heavy damages after an applicant has deliberately failed to take simply hazard mitigation measures. These and some other limitations are reasonable and necessary. All such examples cannot be foreseen and identified in legislation; thus some latitude must be provided in the statute.

The Committee is concerned that current regulations and criteria defining what are and what are not "eligible costs" are themselves confused, inconsistent and sometimes capricious. Some decisions appear to be ad hoc.

For example, the Committee has found that while single jacketed fire hoses are not eligible for reimbursement for cleanup, a double jacketed hose meets the criteria set forth in the FEMA fire hose policy. In one instance brooms were ruled eligible but shovels were ineligible. In yet another, debris was removed from a golf course but could not be removed from the grass in a cemetery. These cost-eligibility criteria have grown over the years and should be thoroughly reviewed and revised.

The Committee expects that, generally, expenses associated with emergency, cleanup, or recovery efforts to restore services, function and utility, or capacity should be eligible costs.

The Committee recognizes that when 100 percent Federal assistance for public facilities and debris removal was available there had to be strict regulations and policy guidance limiting the types and amount of Federally reimbursable expenses. There was little incentive on the part of some nonfederal jurisdictions to be prudent in their demands. This is a principle argument why there should be cost sharing by applicants for Federal assistance. If the cost-sharing provisions of this bill are enacted the Committee expects FEMA to review its cost-eligibility criteria in light of the new cost-sharing requirements. In this endeavor, FEMA should consider the views of State and local government officials who have dealt with disasters in their own jurisdictions. FEMA's recently proposed regulations to treat previously excluded costs as eligible for Federal reimbursement or assistance, subject to the statutory cost-sharing arrangements, is regarded by the Committee as a positive step.

SECTION 14—TEMPORARY HOUSING

Section 14 amends current section 404(a) as new section 407(a) in several respects. First, it eliminates the automatic one year rent-free period when temporary housing is provided. Second, in addition to temporary housing assistance made available through Federal agencies, State and local governments may provide such assistance to disaster victims and receive Federal reimbursement for 100 percent of the eligible costs incurred. Third, the costs of developing mobile home group sites are subject to a 75 percent Federal, 25 percent State and local cost-sharing arrangement. Fourth, Federal operational and financial responsibility for temporary housing is limited to eighteen months unless the President extends that time period due to extraordinary circumstances. Finally, temporary housing assistance is to be provided only when adequate alternative housing is unavailable.

New section 407(a) eliminates the automatic one year rent-free period and requires individuals and families to pay a reasonable amount for the temporary housing they are provided. Both the fair market value of the accommodations supplied and the financial ability of the applicant are to be considered in determining the rental charges. Also, adequate alternative housing must be unavailable if temporary housing assistance is to be provided, unless extreme hardship makes such assistance essential.

In order to eliminate confusion about the respective roles of the Federal Government and State and local governments, section 407(a) establishes cost sharing for group site development. Currently, State or local governments are charged with providing group sites, except when FEMA determines that such sites should be developed at Federal expense. The existence of such a potential waiver has encouraged State and local governments to seek relief whenever possible. This section limits the Federal share of costs for group site development to 75 percent, whether such sites are developed directly by the Federal Government or are developed by State or local governments. In the first instance State or local governments are responsible for funding a 25 percent share of group site development costs. In the second instance Federal reimbursement to such governments is limited to 75 percent of the costs they have incurred in developing group sites.

Although FEMA may provide temporary housing assistance directly or through other Federal agencies, section 407(as) also authorizes reimbursement of State or local governments willing and able to assume responsibility for the program. In such cases reimbursement is for 100 percent of the eligible costs incurred.

SECTION 15—HAZARD MITIGATION PROJECTS

One of FEMA's major responsibilities in connection with the provision of disaster relief is to act together with State and local governments, as well as other Federal agencies, to reduce the damage sustained during natural disasters and to minimize the potential for the recurrence of disasters by initiating appropriate hazard mitigation measures.

Section 15 provides authority for FEMA to contribute to the cost of performing hazard mitigation measures. Such projects would be identified in the hazard mitigation plan prepared by the State under the authority of current section 406 (new section 408) and FEMA's implementing regulations. This plan would rank the most important and potentially cost-effective hazard mitigation projects, subject to FEMA's approval. Such projects would not necessarily have to be specifically related to particular damaged facilities, but rather be significant in reducing the threat of future damage and hardship for the entire disaster area or for a significant facility in that area.

The total amount of Federal disaster assistance assumed by FEMA for mitigation projects is limited to 2.5 percent of the public assistance costs assumed by FEMA for permanent restorative work for the subject major disaster. Based on FEMA's financial records, 2.5 percent of such costs amount to approximately $4.5 million in fiscal year 1979, $3.3 million in fiscal year 1980, and $0.8 million in fiscal year 1981. The potential savings to the Federal, State and local governments would be much greater. Any Federal funds contributed under this section would have to be matched on a 50-50 basis.

SECTION 16—DISASTER UNEMPLOYMENT ASSISTANCE

Section 16 amends section 407(a) as new section 409(a) to provide disaster unemployment assistance to individuals who are unemployed as a result of a major disaster and who are ineligible for, have exhausted, or will exhaust their unemployment compensation benefits available under other Federal or State laws. Unemployment due to a major disaster triggers a fifty-two week benefit period for disaster unemployment assistance during which an eligible individual may receive up to twenty-six times the maximum weekly amount for which eligibility is established. The total amount of disaster unemployment assistance payable to an eligible individual is reduced by the amount of any unemployment compensation received by the individual during his or her benefit period.

The fifty-two week benefit period established by this section begins with the week after the week in which an individual becomes unemployed as a result of a major disaster. The commencement of the benefit period may vary for different individuals depending on the specific disaster-related circumstances which result in unemployment. Current regulations (20 CFR 625.2f and 20 CFR 625.4) restrict the payment of disaster unemployment assistance to the "disaster assistance period". The disaster assistance period begins with the first week following the date of occurrence of the major disaster and ends with the last week which begins prior to one year subsequent to the date the major disaster was declared. If the Federal Coordinating Officer, after consulting with the Regional Administrator, Employment and Training Administration, determines that unemployment in the major disaster area is no longer attributable to the major disaster, the disaster assistance period may be terminated sooner. Section 409(a) defines the disaster assistance period with respect to disaster unemployment assistance as the fifty-two week benefit period described in greater detail above. This statutory provision preempts the definition of disaster assistance period in the existing regulations (20 CFR 625.2f and 20 CFR 625.4) and takes effect immediately on the effective date of this Act.

Disaster unemployment assistance is intended to provide benefits to those who are not covered by unemployment compensation or who, because of a previous non-disaster-related episode of unemployment, have reduced or exhausted unemployment compensation benefits for which they would otherwise be entitled. When an individual becomes unemployed as a result of a major disaster, he or she is not eligible for disaster unemployment assistance if there is remaining eligibility for benefits under an unemployment compensation program. Such an individual is expected to apply or reapply for such unemployment compensation benefits. When eligibility for unemployment compensation expires and the individual has received less than twenty-six times the maximum weekly amount for which eligibility is established, then the individual may apply for the remaining benefits within the fifty-two week benefit period under the disaster unemployment assistance program. Should regular or extended benefits or other unemployment compensation become available while an individual is receiving disaster unemployment assistance and for which the individual is eligible, disaster unemployment assistance benefits are to be terminated and the individual is to be paid the unemployment compensation. A claim for disaster unemployment assistance may be reopened if, after exhausting all unemployment compensation, the individual has still not received the maximum amount of benefits payable for disaster-related unemployment within the established fifty-two week benefit period.

The payment of extended benefits or any other unemployment compensation to an individual after the exhaustion of that individual's eligibility for disaster unemployment assistance and within the fifty-two week benefit period shall not be regarded as an overpayment of benefits under this section which would instigate the recovery of duplicate benefits pursuant to section 312 of this Act. Although in this instance payment of extended benefits under an unemployment compensation program will result in the payment of total benefits in excess of the maximum amount established by section 409(a), this consequence is not contrary to the purposes of additional assistance provided through an unemployment compensation program.

SECTION 17—REPAYMENT OF IFG LOANS

Section 17 deletes language from section 408(b) of the Disaster Relief Act of 1974, as amended, which establishes an unspecified time frame for repayment of advances of a State's 25 percent share of the costs of an Individual and Family Grant program. In addition, the section adds two new sentences to section 408(b). The first new sentence states that any advances of a State's 25 percent share pursuant to this section of the law will accumulate interest from the date such advance is made at a rate determined by the Secretary of Treasury. The second provides that States which receive such advances must start repaying them along with accumulated interest within two years from the date of the Presidential major disaster declaration.

SECTION 18—INDIVIDUAL AND FAMILY GRANT PROGRAM

Section 18 amends section 408(d) of the Disaster Relief Act of 1974 to permit reimbursement of 50 percent of the State's administrative expenses for the Individual and Family Grant Program in excess of the currently reimbursed 3 percent of the Federal grant. Such extra reimbursement would be contingent on the State's completing all grants to eligible individuals and families within the period prescribed by the President, or by the Federal Emergency Management Agency if administration of this section is delegated to FEMA.

The purpose of the Individual and Family Grant Program is to meet necessary expenses and serious needs. Delay of weeks or months in determining eligibility for assistance is contrary to the purpose of the assistance. Historically, in most cases 90 percent of applications for assistance under this program are received within the first 60 days. Yet only 3 percent of the programs are completed within 180 days. More efficient delivery of assistance is essential.

One problem with current administration is that the 3 percent reimbursement to States is inadequate to cover administrative costs and many States are therefore reluctant to staff programs with an adequate number of people to process applications rapidly. Overall, States are actually receiving only 15 percent of their reported administrative costs.

SECTION 19—CRISIS COUNSELING

Section 19 deletes the parenthetical phrase "through the National Institute of Mental Health" from section 413 of the Disaster Relief Act of 1974, regarding crisis counseling assistance and training.

This deletion is made without prejudice to the National Institute of Mental Health or to the continuation of the Institute's work and services in major disasters. The assistance and expertise of NIMH may still be utilized. The purpose of the amendment is to eliminate the restrictive requirement that professional counseling services must be administered solely through the National Institute of Mental Health. The change will facilitate the participation of other crisis counseling organizations when appropriate. State and local organizations with expertise in this field exist and should be duly recognized.

SECTION 20—TIMBER SALE CONTRACTS

Section 19 deletes subsection (d) from section 418 (new section 420) authorizing grants to State and local governments for the removal of disaster-damaged timber from privately-owned lands.

SECTION 21—MONETARY AUTHORIZATIONS

Section 21 amends section 606 to authorize appropriations to the President of $100 million for fiscal year 1985 and $325 million for each of the fiscal years 1986 and 1987 to carry out the disaster and emergency assistance programs and to the Federal Emergency Management Agency $6,487,000 for fiscal year 1985, $8,237,000 for fiscal year 1986, and $9,137,000 for fiscal year 1987 for related administrative expenses.

SECTION 22—MISCELLANEOUS AMENDMENTS

Section 22 makes numerous changes to the Disaster Relief Act of 1974, many of them conforming amendments.

(1) The "Findings and Declarations" of section 101 is amended by deleting paragraph (7) of subsection (b).

(2) "The Canal Zone" is deleted from the definitions of "United States" and "State" in sections 102(3) and 102(4), respectively.

(3) The caption of title III of the Act is changed from "Disaster Assistance Administration" to "Major Disaster Relief and Emergency Assistance Administration."

(4) The phrase "section 402 or 404 of" is deleted from section 311(b). The amendment has the effect of stating that Governmental bodies and other organizations are required to comply with regulations relating to nondiscrimination, or other regulations, as a condition of receiving *any* assistance under this Act instead of receiving specifically public assistance and housing assistance.

(5) Section 310 of the 1974 Act gives preference in the expenditure of certain Federal funds to those firms, organizations, and individuals residing or doing business primarily in the area affected by a major disaster. This legislation extends such treatment to emergencies as well as major disasters.

(6) Section 313(b) is amended by deleting the phrase "in which a Recovery Planning Council has been designated pursuant to Title VIII of the Public Works and Economic Development Act of 1965."

(7) Section 314 (42 U.S.C. 5154) is amended by deleting the phrase "or section 803 of the Public Works and Economic Development Act of 1965" in subsections (a), (b), and (c).

(8) Section 314 (42 U.S.C. 5154) is amended by deleting "402" each place it appears and inserting in lieu thereof "405." These are

conforming amendments. Under this bill, section 402 of the Act becomes new section 405.

(9) Section 316 (42 U.S.C. 5156) is amended by adding the words "emergency and major" before the word "disaster."

(10) The caption of Title IV is changed from "Federal Disaster Assistance Programs" to "Federal Major Disaster Assistance Programs."

(11) The words "in emergencies or in major disasters" are deleted from section 404(d) of the 1974 Act (42 U.S.C. 5174).

(12) Section 404(d)(2) of the Act (42 U.S.C. 5174) is amended by changing "311" to "308" in order that this section number conform with an amendment made elsewhere in this legislation.

(13) Section 415 of the Act (42 U.S.C. 5185)—dealing with emergency communications—is amended by deleting the phrase "an emergency or." If emergency communications are required in an emergency as part of the Federal supplemental assistance to save lives and protect property, public health and safety, assistance for emergency communications would be authorized by the general emergency assistance authority of Title V of this legislation. Reference to communications in emergencies is not needed in section 415. Title IV contains the program authorities for major disasters while Title V is expressly for emergency assistance.

(14) A conforming amendment is made to section 605 (42 U.S.C. 5121) by deleting "408" and inserting in lieu thereof "410."

(15) A conforming amendment is made to subtitle C of title I of the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512; 86 Stat. 919) by striking "301" and inserting in lieu thereof "401."

(16) Section 312(a) of the Act (42 U.S.C. 5152) is amended by substituting the words "Federal coordinating officer" for "President" each place that word appears.

(17) In section 313(a)(2) of the Act (42 U.S.C. 5153) the word "rent" is deleted and the word "income" inserted in its place.

(18) In section 313(a) of the Act (42 U.S.C. 5153) paragraph (1) is deleted and subsequent paragraphs are appropriately renumbered.

SECTION 23—COASTAL BARRIER RESOURCES ACT

The Coastal Barrier Resources Act limits new expenditures or new financial assistance under the authority of any Federal law with respect to any coastal barriers located within the Coastal Barrier Resources System. Section 6 of that Act contains exceptions to this limitation. More specifically, section 6(a)(6)(E) refers to emergency actions which may be taken within the Coastal Barrier Resources System pursuant to sections 305 and 306 of the Disaster Relief Act of 1974 in order to save lives and protect property and the public health and safety. Section 23 amends the Coastal Barrier Resources Act to reflect changes made to the Disaster Relief Act of 1974 which would be effective upon the enactment of the "Disaster Relief Act Amendments of 1984." Section 23 amends section 6(a) (6)(E) of the Coastal Barrier Resources Act to designate sections 402, 403, 502, and 503 of the Major Disaster Relief and Emergency Assistance Act as the appropriate legal authority for

Federal emergency assistance permitted within the Coastal Barrier Resources System.

Emergency assistance provided within the Coastal Barrier Resources System pursuant to sections 402 or 403 after the declaration of a major disaster shall be limited to those actions required to save lives and property and the public health and safety. These sections shall not be used to justify any project of greater scope than required to meet the need for emergency assistance resulting from the major disaster. Similarly, assistance provided pursuant to sections 502 or 503 after the declaration of an emergency shall be limited to what is necessary to alleviate the immediate consequences of the emergency situation, that is, actions to save lives and protect property and the public health and safety.

Section 23 also authorizes conforming changes to any provision of law, regulation, rule, record, or document referring to the Disaster Relief Act of 1974 which would be modified by the Disaster Refief Act Amendments of 1984.

SECTION 24—EFFECTIVE DATE

Section 24 provides that the Act shall be effective 90 days after enactment but only for major disasters and emergencies declared after such date. In addition, section 24 contains a savings provision which would continue in effect the current implementing regulations of the Disaster Relief Act of 1974 until those regulations are abrogated or amended by the President, and would permit the continuation of proceedings which are authorized under current law and regulations even after the enactment of the Disaster Relief Act Amendments of 1984. The sole exception to this provision relates to the redefinition of "disaster assistance period" in new section 409 (a) which is to preempt the existing definition immediately on the effective date of this Act.

HEARINGS

In July and September, 1983, the Subcommittee on Regional and Community Development held hearings on S. 1525, the "Disaster Relief Act Amendments of 1983." Based upon testimony presented at these hearings, changes were made to S. 1525 and a new bill, S. 2517, was introduced by Senator Humphrey and Senator Burdick on April 2, 1984, which incorporates these changes.

On July 21, 1983, the subcommittee received testimony from representatives of the Federal Emergency Management Agency. On September 29, 1983, testimony was presented by State and local and other non-federal groups. Specifically, witnesses testified on behalf of the National Governors Association, the National Emergency Management Association, the Association of State Flood Plain Managers, the National Association of Counties, and The American Red Cross.

The hearings are printed and available (Senate Hearings 98-473).

ROLLCALL VOTES DURING COMMITTEE CONSIDERATION

Section 7(b) rule XXVI of the standing rules of the Senate and the rules of the Committee on Environment and Public Works requires that any rollcall votes be announced in reports accompanying legislation. During the committee's consideration of this measure no rollcall votes were taken. The Committee ordered the bill favorably reported by voice vote with no dissenting votes.

COST OF LEGISLATION

Section 402 of the Congressional Budget and Impoundment Control Act requires that an estimate of the cost of the bill as reported be prepared by the Congressional Budget Office. That estimate follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 15, 1984.

Hon. ROBERT T. STAFFORD
Chairman, Committee on Environment and Public Works, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for S. 2517, the Disaster Relief Act Amendments of 1984.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ERIC HANUSHEK
(For Rudolph G. Penner).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 2517.
2. Bill title: Diaster Relief Act Amendments of 1984.
3. Bill status: As amended and ordered reported by the Senate Committee on Environment and Public Works, May 8, 1984.
4. Bill purpose: The bill authorizes specific levels of funds for the diaster relief program and for administrative expenses of the Federal Emergency Management Agency for fiscal years 1985, 1986, and 1987. The bill would also make several changes in administrative rules and regulations governing federal assistance to areas stricken by natural disasters.
5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1985	1986	1987	1988	1989
Authorization level	106.5	333.2	334.1		
Estimated outlays	10.2	86.2	259.9	310.6	106.9

The costs of this bill fall within budget function 450.

Basis of estimate: It is assumed that the full amounts authorized will be appropriated for each year. Outlays have been estimated by applying historical spending patterns to the authorized funding levels.

Several provision of the bill would affect the form and level of federal assistance to individual disaster locations. Since the number and size of disasters that will occur over the period covered by this bill cannot be predicted, it is not possible to estimate the net change in government costs associated with each provision. Most of these provisions are intended to reduce overhead costs incurred in the course of managing disaster recovery projects and to increase the flexibility of local governments to manage their own recovery efforts.

The bill would allow the government to forgive assistance loans under specific circumstances cited by the bill. This provison would increase federal costs to the extent that the provision is utilized. Under normal disaster circumstances, there would be few instances where this provision would apply.

6. Estimated cost to state and local governments: Most of the funds authorized by this bill are provided to state or local governments. The federal share is not to exceed 75 percent of the cost of permanent restorative work and debris removal.

The distribution of costs associated with any single disaster between the state, local, and federal governments depends on many factors that cannot be predicted. Under provisions of this bill, state and local governments would have added flexibility and some additional federal aid. The actual costs to particular states or local governments cannot be estimated.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Linwood T. Lloyd.

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

EVALUATION OF REGULATORY IMPACT

In compliance with section 11(b)(1) of rule XXVI of the Standing Rules of the Senate, the Committee has evaluated the regulatory impact of the bill. The Committee believes that this legislation will cause no significant change in regulatory activity by the Federal Government, or by private business.

The reported bill reduces the paperwork of the Federal, State and local governments, and it will result in lower administrative costs and fewer delays.

CHANGES IN EXISTING LAW

In compliance with section 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows: Existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the [“Disaster Relief Act of 1974”.] *“Major Disaster Relief and Emergency Assistance Act”.*

TITLE I—FINDINGS, DECLARATIONS, AND DEFINITIONS

FINDINGS AND DECLARATIONS

SEC. 101. (a) The Congress hereby finds and declares that—

(1) because disasters often cause loss of life, human suffering, loss of income, and property loss and damage; and

(2) because disasters often disrupt the normal functioning of governments and communities, and adversely affect individuals and families with great severity;

special measures, designed to assist the efforts of the affected States in expediting the rendering of aid, assistance, and emergency services, and the reconstruction and rehabilitation of devastated areas, are necessary.

(b) It is the intent of the Congress, by this Act, to provide an orderly and continuing means of assistance by the Federal Government to State and local governments in carrying out their responsibilities to alleviate the suffering and damage which result from such disasters by—

(1) revising and broadening the scope of existing disaster relief programs;

(2) encouraging the development of comprehensive disaster preparedness and assistance plans, programs, capabilities, and organizations by the States and by local governments;

(3) achieving greater coordination and responsiveness of disaster preparedness and relief programs;

(4) encouraging individuals, States, and local governments to protect themselves by obtaining insurance coverage to supplement or replace governmental assistance;

(5) encouraging hazard mitigation measures to reduce losses from disasters, including development of land use and construction regulations; *and*

(6) providing Federal assistance programs for both public and private losses sustained in disasters **[**; and**]**.

[(7) providing a long-range economic recovery program for major disaster areas.**]**

DEFINITIONS

SEC. 102. As used in this Act—

[(1) "Emergency" means any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, drought, fire, explosion, or other catastrophe in any part of the United States which requires Federal emergency assistance to supplement State and local efforts to save lives and protect property, public health and safety or to avert or lessen the threat of a disaster.**]**

(1) "Emergency" means any occasion or instance for which, in the determination of the President, Federal assistance is needed to supplement State and local efforts and capabilities to save lives and to protect property, public health and safety, or to lessen or avert the threat of a catastrophe in any part of the United States.

[(2) "Major disaster" means any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, drought, fire, explosion, or other catastrophe in any part of the United States which, in the determination of the President, causes damage of sufficient severity and magnitude to warrant major disaster assistance under this Act, above and beyond emergency services by the Federal Government, to supplement the efforts and available resources of States, and local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.]

(2) "Major disaster" means any natural catastrophe, including any hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought, or any fire, flood or explosion, regardless of cause, in any part of the United States which, in the determination of the President, causes damage of sufficient severity and magnitude to warrant major disaster assistance under this Act to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.

(3) "United States" means the fifty States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, [the Canal Zone,] and the Trust Territory of the Pacific Islands.

(4) "State" means any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, [the Canal Zone,] or the Trust Territory of the Pacific Islands.

(5) "Governor" means the chief executive of any State.

(6) "Local government" means (A) any county, city, village, town, district, or other political subdivision of any State, any Indian tribe or authorized tribal organization, or Alaska Native village or organization, and (B) includes any rural community or unincorporated town or village or any other public entity for which an application for assistance is made by a State or political subdivision thereof.

(7) "Federal agency" means any department, independent establishment, Government corporation, or other agency of the executive branch of the Federal Government, including the United States Postal Service, but shall not include the American National Red Cross.

TITLE II—DISASTER PREPAREDNESS ASSISTANCE

FEDERAL AND STATE DISASTER PREPAREDNESS PROGRAMS

SEC. 201. (a) The President is authorized to establish a program of disaster preparedness that utilizes services of all appropriate agencies [(including the Defense Civil Preparedness Agency)] and includes—

(1) preparation of disaster preparedness plans for mitigation, warning, emergency operations, rehabilitation, and recovery;

(2) training and exercises;

(3) postdisaster critiques and evaluations;

(4) annual review of programs;

(5) co-ordination of Federal, State, and local preparedness programs;

(6) application of science and technology;

(7) research.

(b) The President shall provide technical assistance to the States in developing comprehensive plans and practicable programs for preparation against disasters, including hazard reduction, avoidance, and mitigation; for assistance to individuals, businesses, and State and local governments following such disasters; and for recovery of damaged or destroyed public and private facilities.

(c) Upon application by a State, the President is authorized to make grants, not to exceed in the aggregate to such State $250,000, for the development of plans, programs, and capabilities for disaster preparedness and prevention. Such grants shall be applied for within one year from the date of enactment of this Act. Any State desiring financial assistance under this section shall designate or create an agency to plan and administer such a disaster preparedness program, and shall, through such agency, submit a State plan to the President, which shall—

(1) set forth a comprehensive and detailed State program for preparation against and assistance following, emergencies and major disasters, including provisions for assistance to individuals, businesses, and local governments; and

(2) include provisions for appointment and training of appropriate staffs, formulation of necessary regulations and procedures and conduct of required exercises.

(d) The President is authorized to make grants not to exceed 50 per centum of the cost of improving, maintaining and updating State disaster assistance plans, *including evaluations of natural hazards and development of the programs and actions required to mitigate such hazards,* except that no such grant shall exceed **[**$25,000**]** *$50,000* per annum to any State.

DISASTER WARNINGS

SEC. 202. (a) The President shall insure that all appropriate Federal agencies are prepared to issue warnings of disasters to State and local officials.

(b) The President shall direct appropriate Federal agencies to provide technical assistance to State and local governments to insure that timely and effective disaster warning is provided.

(c) The President is authorized to utilize or to make available to Federal, State, and local agencies the facilities of the civil defense communications system established and maintained pursuant to section 201(c) of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2281(c)), or any other Federal communications system for the purpose of providing warning to governmental authorities and the civilian population in areas endangered by disasters.

(d) The President is authorized to enter into agreement with the officers or agents of any private or commercial communications systems who volunteer the use of their systems on a reimbursable or nonreimbursable basis for the purpose of providing warning to governmental authorities and the civilian population endangered by disasters.

TITLE III—[DISASTER] *MAJOR DISASTER RELIEF AND EMERGENCY* ASSISTANCE ADMINISTRATION

[PROCEDURES

[SEC. 301. (a) All requests for a determination by the President that an emergency exists shall be made by the Governor of the affected State. Such request shall be based upon the Governor's finding that the situation is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. The Governor's request will furnish information describing State and local efforts and resources which have been or will be used to alleviate the emergency, and will define the type and extent of Federal aid required. Based upon such Governor's request, the President may determine that an emergency exists which warrants Federal assistance.

[(b) All requests for a declaration by the President that a major disaster exists shall be made by the Governor of the affected State. Such Governor's request shall be based upon a finding that the disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. As a part of this request and as a prerequisite to major disaster assistance under the Act, the Governor shall take appropriate action under State law and direct execution of the State's emergency plan. He shall furnish information on the extent and nature of State resources which have been or will be used to alleviate the conditions of the disaster, and shall certify that for the current disaster, State and local government obligations and expenditures (of which State commitments must be a significant proportion) will constitute the expenditure of a reasonable amount of the funds of such State and local governments for alleviating the damage, loss, hardship, or suffering resulting from such disaster. Based upon such Governor's request, the President may declare that a major disaster exists, or that an emergency exists.]

[FEDERAL ASSISTANCE] *RULES AND REGULATIONS*

SEC. [302.] *301.*(a) [In the interest of providing maximum mobilization of Federal assistance under this act, the President shall coordinate, in such manner as he may determine, the activities of all Federal agencies providing disaster assistance. The President may direct any Federal agency, with or without reimbursement, to utilize its available personnel, equipment, supplies, facilities, and other resources including managerial and technical services in support of State and local disaster assistance efforts.] The President may prescribe such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act, and he may exercise any power or authority conferred on him by any section of this Act either directly or *with or without reimbursement* through such Federal agency as he may designate.

(b) Any Federal agency charged with the administration of a Federal assistance program is authorized, if so requested by the applicant State and local authorities, to modify or waive, for a major disaster, such administrative conditions for assistance as would otherwise prevent the giving of assistance under such programs if the inability to meet such conditions is a result of the major disaster.

(c) Notwithstanding any other provision of law, any repair, restoration, reconstruction, or replacement of farm fencing damaged or destroyed as a result of any major disaster shall be considered an emergency conservation measure eligible for payments under chapter I of the Third Supplemental Appropriation Act, 1957, or any other provision of law.

COORDINATING OFFICERS

SEC. [303.] *302.* (a) Immediately upon his declaration of a major disaster, the President shall appoint a Federal coordinating officer to operate in the affected area. *The Federal coordinating officer shall represent the President in coordinating the emergency or the major disaster response and recovery effort.*

(b) In order to effectuate the purposes of this Act, the Federal coordinating officer, within the affected area, shall—

(1) make an initial appraisal of the types of relief most urgently needed;

(2) establish such field offices as he deems necessary and as are authorized by the President;

(3) coordinate the administration of relief, including activities of the State and local governments, the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief or disaster assistance organizations, which agree to operate under his advice or direction, except that nothing contained in this Act shall limit or in any way affect the responsibilities of the American National Red Cross under the Act of January 5, 1905, as amended (33 Stat. 599); and

(4) take such other action, consistent with authority delegated to him by the President, and consistent with the provisions of this Act, as he may deem necessary to assist local citizens and public officials in promptly obtaining assistance to which they are entitled.

(c) When the President determines assistance under this Act is necessary, he shall request that the Governor of the affected State designate a State coordinating officer for the purpose of coordinating State and local disaster assistance efforts with those of the Federal Government.

EMERGENCY SUPPORT TEAMS

SEC. [304.] *303.* The President shall form emergency support teams of Federal personnel to be deployed in an area affected by a major disaster or emergency. Such emergency support teams shall assist the Federal coordinating officer in carrying out his responsibilities pursuant to this Act. Upon request of the President, the head of any Federal agency is directed to detail to temporary duty with the emergency support teams on either a reimbursable or nonreimbursable basis, as is determined necessary by the President, such personnel within the administrative jurisdiction of the head of the Federal agency as the President may need or believe to be useful for carrying out the functions of the emergencv support teams, each such detail to be without loss of seniority, pay, or other employee status.

[EMERGENCY ASSISTANCE

[SEC. 305. (a) In any emergency, the President may provide assistance to save lives and protect property and public health and safety.

[(b) The President may provide such emergency assistance by directing Federal agencies to provide technical assistance and advisory personnel to the affected State to assist the State and local governments in—

[(1) the performance of essential community services; warning of further risks and hazards; public information and assistance in health and safety measures; technical advice on management and control; and reduction of immediate threats to public health and safety; and

[(2) the distribution of medicine, food, and other consumable supplies, or emergency assistance.

[(c) In addition, in any emergency, the President is authorized to provide such other assistance under this Act as the President deems appropriate.

[COOPERATION OF FEDERAL AGENCIES IN RENDERING DISASTER ASSISTANCE

[SEC. 306. (a) In any major disaster or emergency, Federal agencies are hereby authorized, on the direction of the President, to provide assistance by—

[(1) utilizing or lending, with or without compensation therefor, to States and local governments, their equipment, supplies, facilities, personnel, and other resources, other than the extension of credit under the authority of any Act;

[(2) distributing or rendering, through the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief and disaster assistance organizations, or otherwise, medicine, food and other consumable supplies, or emergency assistance;

[(3) donating or lending equipment and supplies, including that determined in accordance with applicable laws to be surplus to the needs and responsibilities of the Federal Government, to State and local governments for use or distribution by them for the purposes of this Act; and

[(4) performing on public or private lands or waters any emergency work or services essential to save lives and to protect and preserve property, public health and safety, including but not limited to: search and rescue, emergency medical care, emergency mass care, emergency shelter, and provisions of food, water, medicine, and other essential needs, including movement of supplies or persons; clearance of roads and construction of temporary bridges necessary to the performance of emergency tasks and essential community services; provision of temporary facilities for schools and other essential community services; demolition of unsafe structures that endanger the public; warning of further risks and hazards; public information and assistance on health and safety measures; technical advice to State and local governments on disaster management and control; reduction of immediate threats to life, property, and public health and safety; and making contributions to State or local governments for the purpose of carrying out the provisions of this paragraph.

[(b) Work performed under this section shall not preclude additional Federal assistance under any other section of this Act.]

REIMBURSEMENT

Sec. [307.] *304*. Federal agencies may be reimbursed for expenditures under this Act from funds appropriated for the purposes of this Act. Any funds received by Federal agencies as reimbursement for services or supplies furnished under the authority of this Act shall be deposited to the credit of the appropriation or appropriations currently available for such services or supplies.

NONLIABILITY

Sec. [308.] *305*. The Federal Government shall not be liable for any claim based upon the exercise or performance of or the failure to exercise or perform a discretionary function or duty on the part of a Federal agency or an employee of the Federal Government in carrying out the provisions of this Act.

PERFORMANCE OF SERVICES

Sec. [309.] *306*. (a) In carrying out the purposes of this Act, any Federal agency is authorized to accept and utilize the services or facilities of any State or local government, or of any agency, office, or employee thereof, with the consent of such government.

(b) In performing any services under this Act, any Federal agency is authorized—

(1) to appoint and fix the compensation of such temporary personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in competitive service;

(2) to employ experts and consultants in accordance with the provisions of section 3109 of such title, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classifications and General Schedule pay rates; and

(3) to incur obligations on behalf of the United States by contract or otherwise for the acquisition, rental, or hire of equipment, services, materials, and supplies for shipping, drayage, travel, and communications, and for the supervision and administration of such activities. Such obligations, including obligations arising out of the temporary employment of additional personnel, may be incurred by an agency in such amount as may be made available to it by the President.

USE OF LOCAL FIRMS AND INDIVIDUALS

SEC. [310.] *307.* In the expenditure of Federal funds for debris clearance, distribution of supplies, reconstruction, and other *emergency or* major disaster assistance activities which may be carried out by contract or agreement with private organizations, firms, or individuals, preference shall be given, to the extent feasible and practicable, to those organizations, firms, and individuals residing or doing business primarily in the area affected by such *emergency or* major disaster.

NONDISCRIMINATION IN DISASTER ASSISTANCE

SEC. [311] *308.* (a) The President shall issue, and may alter and amend such regulations as may be necessary for the guidance of personnel carrying out Federal assistance functions at the site of a major disaster or emergency. Such regulations shall include provisions for insuring that the distribution of supplies, the processing of applications, and other relief and assistance activities shall be accomplished in an equitable and impartial manner, without discrimination on the grounds of race, color, religion, nationality, sex, *or* age. [or economic status].

(b) As a condition of participation in the distribution of assistance or supplies under this Act or of receiving assistance under [section 402 or 404 of] this Act, governmental bodies and other organizations shall be required to comply with regulations relating to nondiscrimination promulgated by the President, and such other regulations applicable to activities within an area affected by a major disaster or emergency as he deems necessary for the effective coordination of relief efforts.

USE AND COORDINATION OF RELIEF ORGANIZATIONS

SEC. [312.] *309.* (a) In providing relief and assistance under this Act, the [President] *Federal Coordinating Officer* may utilize, with their consent, the personnel and facilities of the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief or disaster assistance organizations, in the distribution of medicine, food, supplies, or other items, and in the restoration, rehabilitation, or reconstruction of community services housing and essential facilities, whenever the [President] *Federal Coordinating Officer* finds that such utilization is necessary.

(b) The President is authorized to enter into agreements with the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief or disaster assistance organizataions under which the disaster relief activities of such organizations may be coordinated by the Federal coordinating officer whenever such organizations are engaged in providing relief during and after a major disaster or emergency. Any such agreement shall include provisions assuring that use of Federal facilities, supplies, and services will be in compliance with regulations prohibiting duplication of benefits and guaranteeing nondiscrimination promulgated by the President under this Act, and such other regulation as the President may require.

PRIORITY TO CERTAIN APPLICATIONS FOR PUBLIC FACILITY AND PUBLIC HOUSING ASSISTANCE

SEC. [313.] *310.* (a) In the processing of applications for assistance, priority and immediate consideration shall be given by the head of the appropriate Federal agency, during such period as the President shall prescribe, to applications from public bodies situated in areas affected by major disasters, under the following Acts:

[(1) title II of the Housing Amendments of 1955, or any other Act providing assistance for repair, construction, or extension of public facilities;]

[(2)] *(1)* the United States Housing Act of 1937 for the provision of low-[rent] *income* housing;

[(3)] *(2)* section 702 of the Housing Act of 1954 for assistance in public works planning;

[(4)] *(3)* section 702 of the Housing and Urban Development Act of 1965 providing for grants for public facilities;

[(5)] *(4)* section 306 of the Consolidated Farmers Home Administration Act;

[(6)] *(5)* the Public Works and Economic Development Act of 1965, as amended;

[(7)] *(6)* the Appalachian Regional Development Act of 1965, as amended; or

[(8)] *(7)* title II of the Federal Water Pollution Control Act, as amended.

(b) In the obligation of discretionary funds or funds which are not allocated among the States or political subdivisions of a State, the Secretary of Housing and Urban Development and the Secretary of Commerce shall give priority to applications for projects in major disaster areas. [in which a Recovery Planning Council has been designated pursuant to title VII of the Public Works and Economic Development Act of 1965.]

INSURANCE

SEC. [314.] *311. (a) As a condition of assistance, any public facility and private nonprofit facility which is:*

(1) located in a special flood hazard area as identified by the Director pursuant to the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4001 et seq.);

(2) damaged or destroyed by flooding; and

(3) otherwise eligible for assistance under section 405 of this Act, must be covered, on the date of the flood damage, by reasonable and adequate flood insurance. Assistance under section 405 for any such facility not so covered shall be reduced by the maximum amount of benefits which could have been received had reasonable and adequate flood insurance been in force: Provided, however, That this reduction of assistance shall not apply to uninsured facilities where such communities have been identified for less than one year as having special flood hazard areas. The limitations of assistance required by this subsection shall not apply until final regulations are promulgated by the President. Such regulations shall define reasonable and adequate flood insurance.

[(a)] *(b)(1)* An applicant for assistance under section [402] *405* [or 419] of this Act [or section 803 of the Public Works and Economic Development Act of 1965,] shall comply with regulations prescribed by the President to assure that, with respect to any property to be replaced, restored, repaired, or constructed with such assistance, such types and extent of insurance will be obtained and maintained as may be reasonably available, adequate, and necessary to protect against future loss to such property.

(2) In making his determination with respect to such availability, adequacy and necessity, the President shall not require greater types and extent of insurance than are certified to him as reasonable by the appropriate State insurance commissioner responsible for regulation of such insurance.

[(b)] *(c)* No applicant for assistance under section [402] *405* [or 419] of this Act [or section 803 of the Public Works and Economic Development Act of 1965,] shall receive such assistance for any property or part thereof for which he has previously received assistance under this Act unless all insurance required pursuant to this section has been obtained and maintained with respect to such property.

[(c)] *(d)* A State may elect to act as a self-insurer with respect to any or all of the facilities belonging to it. Such an election, if declared in writing at the time of accepting assistance under section [402] *405* [or 419] of this Act [or section 803 of the Public Works and Economic Development Act of 1965,] or subsequently, and accompanied by a plan for self-insurance which is satisfactory to the President, shall be deemed compliance with subsection (a) of this section. No such self-insurer shall receive assistance under such sections for any property or part thereof for which it has previously received assistance under this Act, to the extent that insurance for such property or part thereof would have been reasonably available.

[DUPLICATION OF BENEFITS

[SEC. 315. (a) The President, in consultation with the head of each Federal agency administering any program providing financial assistance to persons, business concerns, or other entities suffering losses as the result of a major disaster, shall assure that no such person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he has received financial assistance under any other program.

[(b) The President shall assure that no person, business concern, or other entity receives any Federal assistance for any part of a loss suffered as the result of a major disaster if such person, concern, or entity received compensation from insurance or any other source for that part of such a loss. Partial compensation for a loss or a part of a loss resulting from a major disaster shall not preclude additional Federal assistance for any part of such a loss not compensated otherwise.

[(c) Whenever the President determines (1) that a person, business concern, or other entity has received assistance under this Act for a loss and that such person, business concern or other entity received assistance for the same loss from another source, and (2) that the amount received from all sources exceeded the amount of the loss, he shall direct such person, business concern, or other entity to pay to the Treasury an amount, not to exceed the amount of Federal assistance received, sufficient to reimburse the Federal Government for that part of the assistance which he deems excessive.]

DUPLICATION OF BENEFITS

SEC. 312. (a) Agencies or other organizations providing Federal assistance for needs or losses resulting from a major disaster or emergency shall assure that no person, business concern, or other entity receives any such Federal assistance if said person, business concern, or entity receives or is entitled to receive benefits for the same purposes from insurance or any other Federal or non-Federal source: Provided, That nothing in this section shall prohibit the provision of Federal assistance to a person, business concern, or other entity who is or may be entitled to receive benefits for the same purposes from insurance or any other Federal or non-Federal source when any such applicant for Federal assistance has not received such other benefits by the time of application for Federal assistance, so long as the applicant for Federal assistance agrees as a condition of receipt of Federal assistance to repay duplicative assistance from insurance or any other Federal or non-Federal source to the agency or other organizations providing the Federal assistance. The President shall establish such procedures as are deemed necessary to insure uniformity in preventing such duplication of benefits. Receipt of partial benefits for a loss or need resulting from a major disaster or emergency does not preclude provision of additional Federal assistance for any part of such loss or need for which benefits have not been provided.

(b) A person, business concern, or other entity receiving Federal assistance for needs or losses resulting from a major disaster or emergency shall be liable to the United States to the extent that such Federal assistance has duplicated benefits available to the person, business concern, or other entity for the same purpose from insurance or any other Federal or non-Federal sources. The agency or other organization which provided the duplicative assistance shall collect such duplicative assistance from the recipient in accordance with the Claims Collection Act of 1966, as amended, when in the best interest of the Government. The repayment shall not exceed the amount of Federal assistance received.

(c) Federal disaster assistance and comparable disaster assistance provided by States, local governments, and disaster assistance organizations to individuals and families shall not be considered as income or a resource when determining eligibility or benefit levels for federally funded income assistance or resource tested benefit programs.

REVIEWS AND REPORTS

SEC. [316.] *313.* The President shall conduct annual reviews of the activities of Federal agencies and State and local governments providing emergency and major disaster preparedness and assistance, in order to assure maximum coordination and effectiveness of such programs, and shall from time to time report thereon to the Congress.

CRIMINAL AND CIVIL PENALTIES

[SEC. 317. (a) Any individual who fraudulently or willfully misstates any fact in connection with a request for assistance under this Act shall be fined not more than $10,000 or imprisoned for not more than one year or both for each violation.

[(b) Any individual who knowingly violates any order or regulation under this Act shall be subject to a civil penalty of not more than $5,000 for each violation.

[(c) Whoever knowingly misapplies the proceeds of a loan or other cash benefit obtained under any section of this Act shall be subject to a fine in an amount equal to one and one-half times the original principal amount of the loan or cash benefit.

AVAILABILITY OF MATERIALS

SEC. [318.] *314.* The President is authorized, at the request of the Governor of an affected State, to provide for a survey of construction materials needed in the area affected by a major disaster on an emergency basis for housing repairs, replacement housing, public facilities repairs and replacement, farming operations, and business enterprises and to take appropriate action to assure the availability and fair distribution of needed materials, including, where possible, the allocation of such materials for a period of not more than one hundred and eighty days after such major disaster. Any allocation program shall be implemented by the President to the extent possible, by working with and through those companies which traditionally supply construction materials in the affected area. For the purposes of this section "construction materials" shall include building materials and materials required for repairing housing, replacement housing, public facilities repairs and replacement, and for normal farm and business operations.

PROTECTION OF ENVIRONMENT

SEC. 315. No action taken or assistance provided pursuant to section 402, 403, 406, 502, or 503 of this Act, or any assistance provided pursuant to section 405 of this Act that has the effect of restoring facilities substantially as they existed prior to the disaster, shall be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (83 Stat. 852). Nothing in this section shall alter or affect the applicability of the National Environmental Policy Act of 1969 (83 Stat. 852) to other Federal actions taken under this Act or under any other provisions of law.

RECOVERY OF FUNDS

SEC. 316. The Attorney General of the United States is authorized to institute actions in the United States District Court for the district in which an emergency or major disaster occurred, or in such district as otherwise provided by law, against any party whose acts or omissions may in any way have caused or contributed to the *damage or hardship for which Federal assistance is provided pursuant to this Act. Upon the showing that an emergency or major disaster or the associated damage or hardship was caused in whole or in part by an act or omission of such party, then such party shall be liable to the United States for the full amount of Federal expenditures make to alleviate the suffering or damage attributable to such act or omission. The authority of this section shall also apply to the recovery of Federal funds expended under the authority of section 419 of this Act for fire suppression.*

AUDITS AND INVESTIGATIONS

SEC. 317. (a) The President, when deemed necessary to assure compliance with any provision of this Act or related regulations, shall conduct audits and investigations and in connection therewith may enter such places and inspect such records and accounts and question such persons as deemed necessary to determine the facts relative thereto.

(b) The President, when deemed necessary to assure compliance with any provision of this Act or related regulations, may require audits by State and local governments in connection with assistance provided under the Act.

(c) The President and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for purposes of investigation, audit, and examination, to any books, documents, papers, and records of any person or entity relating to any activity or program undertaken or funded pursuant to this Act.

CRIMINAL AND CIVIL PENALTIES

SEC. 318. (a) Any person, organization, or other entity who knowingly makes a false statement or representation of a material fact, or who knowingly fails to disclose a material fact, in any application or other document in connection with a request for assistance under this Act, or who knowingly falsifies or withholds, conceals, or destroys any documents, books, records, reports, or statements upon which such request for assistance is based, shall be fined not more than $10,000 or imprisoned for not more than one year, or both, for each violation.

(b) Any person, organization, or other entity who knowingly makes a false statement or representation of a material fact, or who knowingly fails to disclose a material fact, in any bill, invoice, claim, or other document requesting reimbursement for work or services performed in connection with assistance provided under this Act, or who knowingly falsifies or withholds, conceals, or destroys any documents, books, records, reports, or statements upon which such request for reimbursement is based, shall be fined not more than $10,000 or imprisoned for not more than one year, or both, for each violation.

(c) Any person, organization, or other entity who knowingly misapplies the proceeds of a loan or other cash benefit obtained under any section of this Act shall be subject to a fine in an amount equal to one and one-half times the misapplied amount of the loan or cash benefit.

(d) Whenever it appears that any person, organization, or other entity has violated or is about to violate any provision of this Act, including rules and regulations issued and civil penalties imposed, the Attorney General may bring a civil action for such relief as may be appropriate. Such action may be brought in the district court of the United States having jurisdiction where the violation occurred or, at the option of the parties, in the United States District Court for the District of Columbia.

(e) The President, or the duly authorized representative of the President, shall expeditiously refer to the Attorney General of the United States for appropriate action such evidence developed in the performance of functions under this Act as may be found to warrant consideration for criminal prosecution under the provisions of this Act or other Federal law.

(f) Any individual who knowingly violates any order or regulation under this Act shall be subject to a civil penalty of not more than $5,000 for each violation.

TITLE IV—FEDERAL MAJOR DISASTER ASSISTANCE PROGRAMS

PROCEDURES

Sec. 401. (a) All requests for a declaration by the President that a major disaster exists shall be made by the Governor of the affected State. Such Governor's request shall be based upon a finding that the disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. As a part of this request, and as a prerequisite to major disaster assistance under the Act, the Governor shall take appropriate action under State law and direct execution of the State's emergency plan. He shall furnish information on the extent and nature of State resources which have been or will be used to alleviate the conditions of the disaster, and shall certify that for the current disaster, State and local government obligations and expenditures (of which State commitments must be a significant proportion) will constitute the expenditure of a reasonable amount of the funds of such State and local governments for alleviating the damage, loss, hardship, or suffering resulting from such disaster, including, but not limited to, the cost-sharing provisions pursuant to sections 405, 406, 407, and 410 of this Act. Based upon such Governor's request, the President may declare that a major disaster exists.

(b) In any case where an eligible applicant (or the State) is unable to assume its financial responsibility under the cost-sharing provisions of sections 405, 406, and 407 of this Act, the President is authorized to lend or advance to the State such 25 per centum share. For the purposes of section 405, such loan or advance shall be authorized only after the occurrence of concurrent, multiple major disasters in a given jurisdiction, or the extraordinary costs of a particular major disaster, and when the damages caused by such major disasters are so overwhelming and severe that it is not possible for the applicant or the State to assume their financial responsibility under this Act immediately. Except as provided by subsection (c) of

this section, any such loan or advance is to be repaid to the United States; there shall be no deferral of the repayment of loans or advances authorized by this subsection or of accrued interest. Such obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current market yields on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the reimbursement period of the loan or advance.

(c) The President may cancel all or any part of such loan or advance made regarding section 405 or section 406 for concurrent, multiple major disasters or a single catastrophic major disaster if a determination is made that following the full three fiscal years after the loan or advance is made, the applicant demonstrates substantial and continuing inability to repay all or part of the loan or advance.

(d) The President shall issue regulations describing the terms and conditions under which any loans or advances authorized by this section may be made or canceled.

FEDERAL ASSISTANCE

SEC. 402. In any major disaster, the President may—

(a) direct any Federal agency with or without reimbursement to utilize its authorities and the resources granted to it under other Acts including, but not limited to, personnel, equipment, supplies, facilities, and managerial, technical, and advisory services in support of State and local assistance efforts;

(b) coordinate all Federal agencies and voluntary relief or disaster assistance organizations providing disaster assistance, and coordinate disaster assistance with State and local officials; and

(c) provide technical and advisory assistance to affected State and local governments in the performance of essential community services, warning of risks and hazards, public information and assistance in health and safety measures, management and control, and reduction of immediate threats to public health and safety.

COOPERATION OF FEDERAL AGENCIES IN RENDERING DISASTER ASSISTANCE

SEC. 403. (a) In any major disaster, Federal agencies are hereby authorized, on the direction of the President, to provide assistance by—

(1) utilizing or lending, with or without compensation therefore, to States and local governments, their equipment, supplies, facilities, personnel, and other resources, other than the extension of credit under the authority of any Act;

(2) distributing or rendering, through the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief and disaster assistance organizations, or otherwise, medicine, food, and other consumable supplies, other services to disaster victims, or emergency assistance;

(3) donating or lending equipment and supplies, including that determined in accordance with applicable laws to be surplus to the needs and responsibilities of the Federal Govern-

ment, to State and local governments for use or distribution by them for the purposes of this Act; and

(4) performing on public or private lands or waters any emergency work or services essential to save lives and to protect and preserve property, public health and safety, including, but not limited to: Search and rescue, emergency medical care, emergency mass care, emergency shelter, and provisions of food, water, medicine, and other essential needs, including movement of supplies or persons; construction of temporary bridges necessary to the performance of emergency tasks and essential community services; provision of temporary facilities for schools and other essential community services; warning of further risks and hazards; public information and assistance on health and safety measures; technical advice to State and local governments on disaster management and control; reduction of immediate threats to life, property, and public health and safety; and making contributions to State or local governments for the purpose of carrying out the provisions of this paragraph. Such contributions for emergency work under this section and section 402 of this Act shall not exceed 100 per centum of the net eligible cost, or for small projects 100 per centum of the Federal estimate of the net eligible cost, of such emergency work or services performed by State and local governments: Provided, That where debris removal assistance is appropriate under this section or section 402 of this Act it shall be provided in accordance with the terms and conditions of section 406 of this Act.

FEDERAL FACILITIES

SEC. [401.] *404.* (a) The President may authorize any Federal agency to repair, reconstruct, restore, or replace any facility owned by the United States and under the jurisdiction of such agency which is damaged or destroyed by any major disaster if he determines that such repair, reconstruction, restoration, or replacement is of such importance and urgency that it cannot reasonably be deferred pending the enactment of specific authorizing legislation or the making of an appropriation for such purposes, or the obtaining of congressional committee approval.

(b) In order to carry out the provisions of this section, such repair, reconstruction, restoration, or replacement may be begun notwithstanding a lack or an insufficiency of funds appropriated for such purpose, where such lack or insufficiency can be remedied by the transfer, in accordance with law, of funds appropriated to that agency for another purpose.

(c) In implementing this section, Federal agencies shall evaluate the natural hazards to which these facilities are exposed and shall take appropriate action to mitigate such hazards, including safe land-use and construction practices, in accordance with standards prescribed by the President.

REPAIR AND RESTORATION OF DAMAGED FACILITIES

SEC. [402.] *405.* [(a) The President is authorized to make contributions to State or local governments to help repair, restore, reconstruct, or replace public facilities belonging to such State or local governments which were damaged or destroyed by a major disaster.

[(b) The President is also authorized to make grants to help repair, restore, reconstruct, or replace private nonprofit educational, útility, emergency, medical, and custodial care facilities, including those for the aged or disabled, and facilities on Indian reservations as defined by the President, which were damaged or destroyed by a major disaster.

[(c) For those facilities eligible under this section which were in the process of construction when damaged or destroyed by a major disaster, the grant shall be based on the net costs of restoring such facilities substantially to their predisaster condition

[(d) For the purposes of this section, "public facility" includes any publicly owned flood control, navigation, irrigation, reclamation, public power, sewage treatment and collection, water supply and distribution, watershed development, or airport facility, any non-Federal-aid street, road, or highway, any other public building, structure, or system including those used for educational or recreational purposes, and any park.]

(a) The President is authorized to make contributions to State or local governments, to help repair, restore, reconstruct, or replace public facilities belonging to such State and local government which were damaged or destroyed by a major disaster. Notwithstanding any other provision of law, such contributions shall be limited to 75 per centum of the net eligible cost, or for small projects 75 per centum of the Federal estimate of the net eligible cost, of repairing, restoring, reconstructing, or replacing any such facility estimated on the basis of the design of such facility as it existed immediately prior to such major disaster and in conformity with current applicable codes, specifications, and standards. For the purposes of this section, "public facility" includes any publicly owned flood control, navigation, irrigation, reclamation, public power, sewage treatment and collection, water supply and distribution, watershed development, or airport facility, any non-Federal-aid street, road, or highway, any other public building, structure, or system including those used for educational or recreational purposes, and any park.

(b) The President is authorized to make contributions to help repair, restore, reconstruct, or replace eligible private nonprofit facilities which were damaged or destroyed by a major disaster. Notwithstanding any other provision of law, such contributions shall be limited to 75 per centum of the net eligible cost, or for small projects 75 per centum of the Federal estimate of the net eligible cost, of repairing, restoring, reconstructing, or replacing any such facility estimated on the basis of the design of such facility as it existed immediately prior to such major disaster and in conformity with current applicable codes, specifications, and standards. For the purposes of this section, "eligible private nonprofit facility" means private nonprofit educational, utility, emergency, medical, and custodial care facilities, including those for the aged and disabled, and such private nonprofit facilities on Indian reservations, which were damaged or destroyed by a major disaster.

(c) No authority under this section shall be exercised unless the affected State, local government, or eligible private nonprofit organization first agrees that such facility shall be repaired, restored, re-

constructed, or replaced in compliance with floodplain management and hazard mitigation criteria required by the President, with the provisions of the Coastal Barrier Resources Act and other applicable Federal statutes, and in conformity with other applicable codes, specifications and standards, except as otherwise provided in section 315 of this Act.

(d) For those facilities eligible under this section which were in the process of construction when damaged or destroyed by a major disaster, the contribution shall be based on 75 per centum of the net eligible costs of restoring such facilities substantially to their predisaster condition, Provided, That the term "net eligible costs" shall not include costs which, under a contract, are the responsibility of a contractor.

(e) In those cases, except for small projects, where a State or local government determines that public welfare would not be best served by repairing, restoring, reconstructing, or replacing particular public facilities owned or controlled by that State or that local government which have been damaged or destroyed in a major disaster, it may elect to receive, in lieu of the contribution described in subsection (a) of this section, a contribution based on 50 per centum of the Federal estimate of the net eligible cost of repairing, restoring, reconstructing, or replacing such damaged facilities owned by it within its jurisdiction. The cost of repairing, restoring, reconstructing, or replacing damaged or destroyed public facilities shall be estimated on the basis of the design of each facility as it existed immediately prior to such disaster and in conformity with current applicable codes, specifications, and standards. Funds contributed under this subsection may be expended either to repair or restore certain selected damaged public facilities or to construct new public facilities which the State or local government determines to be necessary to meet its needs for governmental services and functions in the disaster-affected area.

DEBRIS REMOVAL

SEC. [403.] *406.* (a) The President, whenever he determines it to be in the public interest, is authorized—

(1) through the use of Federal departments, agencies, and instrumentalities, to clear debris and wreckage resulting from a major disaster from publicly and privately owned lands and waters; and

(2) to make grants to any State or local government for the purpose of removing debris or wreckage resulting from a major disaster from publicly or privately owned lands and waters.

(b) No authority under this section shall be exercised unless the affected State or local government shall first arrange an unconditional authorization for removal of such debris or wreckage from public and private property, and, in the case of removal of debris or wreckage from private property, shall first agree to indemnify the Federal Government against any claim arising from such removal.

(c) Notwithstanding any other provision of law, whether carried out directly through Federal departments, agencies, or instrumentalities or through grants to State or local governments, Federal assistance provided under authority of this section shall not exceed 75 per

centum of the net eligible costs, or for small projects 75 per centum of the Federal estimate of the net eligible costs, or debris removal.

TEMPORARY HOUSING ASSISTANCE

SEC. [404.] *407.* [(a) The President is authorized to provide, either by purchase or lease, temporary housing, including, but not limited to, unoccupied habitable dwellings, suitable rental housing, mobile homes or other readily fabricated dwellings for those who, as a result of a major disaster, require temporary housing. During the first twelve months of occupancy no rentals shall be established for any such accommodations, and thereafter rentals shall be established, based upon fair market value of the accommodations being furnished, adjusted to take into consideration the financial ability of the occupant. Any mobile home or readily fabricated dwelling shall be placed on a site complete with utilities provided either by the State or local government, or by the owner or occupant of the site who was displaced by the major disaster, without charge to the United States. The President may authorize installation of essential utilities at Federal expense and he may elect to provide other more economical or accessible sites when he determines such action to be in the public interest.]

(a) The President is authorized to provide, either by purchase or lease, temporary housing including, but not limited to, unoccupied habitable dwellings, suitable rental housing, mobile homes, or other readily fabricated dwellings for those who, as a result of a major disaster, require temporary housing. Whenever he determines it to be in the public interest, the President is authorized to provide temporary housing assistance by using Federal departments, agencies, or instrumentalities. In addition, the President is authorized to provide temporary housing assistance by contributing not to exceed 100 per centum (or 75 per centum for group site development pursuant to paragraph (2) of this subsection) of the costs of temporary housing assistance to a State or local government which provides such assistance to those who require it as a result of a major disaster. Federal financial and operational responsibilities for temporary housing assistance shall not exceed eighteen months from the date of the major disaster declaration by the President, unless he determines that due to extraordinary circumstances it would be in the public interest to extend the eighteen month period.

(1) Temporary housing assistance pursuant to this subsection shall be provided only when adequate alternative housing is unavailable, unless there is compelling need to do so because of extreme hardship. The assistance to be provided shall be determined by the President taking into account the fair market value of the accommodations being supplied and the post-disaster financial ability of the occupant.

(2) Any mobile home or other readily fabricated dwelling supplied pursuant to this subsection shall be placed on a site complete with utilities provided either by the State or local government, or by the owner or occupant of the site who was displaced by the major disaster. When the President determines such action to be in the public interest, he may authorize installation of essential utilities at Federal expense and he may elect to pro-

vide other more economical or accessible sites. However, in the event the President authorizes the development of a group site, that is, a site for two or more households, the Federal share shall be limited to 75 per centum of the development costs, and the remainder shall be met by funds provided by the State or local government.

(b) The President is authorized to provide assistance on a temporary basis in the form of mortgage or rental payments to or on behalf of individuals and families who, as a result of financial hardship caused by a major disaster, have received written notice of dispossession or eviction from a residence by reason of foreclosure of any mortgage or lien, cancellation of any contract of sale, or termination of any lease, entered into prior to such disaster. Such assistance shall be provided for a period of not to exceed one year or for the duration of the period of financial hardship, whichever is the lesser.

(c) In lieu of providing other types of temporary housing after a major disaster, the President is authorized to make expenditures for the purpose of repairing or restoring to a habitable condition owner-occupied private residential structures made uninhabitable by a major disaster which are capable of being restored quickly to a habitable condition with minimal repairs. No assistance provided under this section may be used for major reconstruction or rehabilitation of damaged property.

(d)(1) Notwithstanding any other provision of law, any temporary housing acquired by purchase may be sold directly to individuals and families who are occupants of temporary housing at prices that are fair and equitable, as determined by the President.

(2) The President may sell or otherwise make available temporary housing units directly to States, other governmental entities, and voluntary organizations. The President shall impose as a condition of transfer under this paragraph a covenant to comply with the provisions of section [311] *308* of this Act requiring nondiscrimination in occupancy of such temporary housing units. Such disposition shall be limited to units purchased under the provisions of subsection (a) of this section and to the purposes of providing temporary housing for disaster victims [in emergencies or in major disasters].

PROTECTION OF ENVIRONMENT

[SEC. 405. No action taken or assistance provided pursuant to sections 305, 306, or 403 of this Act, or any assistance provided pursuant to section 402 or 419 of this Act that has the effect of restoring facilities substantially as they existed prior to the disaster, shall be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (83 Stat. 852). Nothing in this section shall alter or affect the applicability of the National Environmental Policy Act of 1969 (83 Stat. 852) to other Federal actions taken under this Act or under any other provision of law.]

MINIMUM STANDARDS FOR PUBLIC AND PRIVATE STRUCTURES

SEC. [406.] *408. (a)* As a condition of any disaster loan or grant made under the provisions of this Act, the recipient shall agree that any repair or construction to be financed therewith shall be in accordance with applicable standards of safety, decency, and sanitation and in conformity with applicable codes, specifications, and standards, and shall furnish such evidence of compliance with this section as may be required by regulation. As a further condition of any loan or grant made under the provisions of this Act, the State or local government shall agree that the natural hazards in the areas in which the proceeds of the grants or loans are to be used shall be evaluated and appropriate action shall be taken to mitigate such hazards, including safe land-use and construction practices, in accordance with standards prescribed or approved by the President after adequate consultation with the appropriate elected officials of general purpose local governments, and the State shall furnish such evidence of compliance with this section as may be required by regulation.

(b) The President is authorized to contribute up to 50 per centum of the cost of implementing hazard mitigation projects which he has determined would be cost effective and would substantially reduce the risk of future damage, hardship, loss, or suffering in the area affected by a major disaster. Such projects shall be identified following the evaluation of natural hazards provided for in subsection (a) of this section and shall be subject to approval by the President. The total of the contributions made under this subsection shall not exceed 2.5 per centum of the Federal estimate of grants made under the authority of section 405 of this Act for each major disaster.

UNEMPLOYMENT ASSISTANCE

SEC. [407.] *409.* (a) [The President is authorized to provide to any individual unemployed as a result of a major disaster such benefit assistance as he deems appropriate while such individual is unemployed. Such assistance as the President shall provide shall be available to an individual as long as the individual's unemployment caused by the major disaster continues or until the individual is reemployed in a suitable position, but no longer than one year after the major disaster is declared. Such assistance for a week of unemployment shall not exceed the maximum weekly amount authorized under the unemployment compensation law of the State in which the disaster occurred, and the amount of assistance under this section to any such individual for a week of unemployment shall be reduced by any amount of unemployment compensation or of private income protection insurance compensation available to such individual for such week of unemployment. The President is directed to provide such assistance through agreements with States which, in his judgment, have an adequate system for administering such assistance through existing State agencies.] *The President is authorized to provide such disaster unemployment assistance as he deems appropriate to individuals who are unemployed as a result of a major disaster. Disaster unemployment assistance authorized by this section shall be available to an eligible individual for a period not to exceed fifty-two weeks after the week in which an eligible* *individual became unemployed as a result of a major disaster, and such period shall be regarded as the disaster assistance period for that individual for the purposes of this section. Disaster unemployment assistance shall not be payable with respect to any week for which an individual is entitled to unemployment compensation (as defined in section 85(c) of the Internal Revenue Code of 1954, as amended) or waiting week credit. The maximum amount of disaster unemployment assistance payable to any individual with respect to a major disaster shall not exceed twenty-six times the maximum weekly amount for which the individual establishes eligibility minus the amount of any unemployment compensation paid to the individual during the fifty-two week benefit period established pursuant to this section. Such assistance for a week of unemployment shall not exceed the maximum weekly amount authorized under the unemployment compensation law of the State in which the disaster occurred, and the amount of assistance under this section for a week of unemployment shall be reduced by any amount of private income protection insurance compensation available to such individual for such week of unemployment. The payment of unemployment compensation to an individual with respect to any week subsequent to the exhaustion of eligibility of such individual for disaster unemployment assistance and within the fifty-two week benefit period established pursuant to this section shall not be regarded as duplication of benefits under section 312 of this Act. The President is directed to provide disaster unemployment assistance through agreements with States which, in his judgment, have an adequate system for administering such assistance through existing State agencies.*

(b). The President is further authorized for the purposes of this Act to provide reemployment assistance services under other laws to individuals who are unemployed as a result of a major disaster.

INDIVIDUAL AND FAMILY GRANT PROGRAMS

SEC. [408.] *410.*(a) The President is authorized to make a grant to a State for the purpose of such State making grants to meet disaster-related necessary expenses or serious needs of individuals or families adversely affected by a major disaster in those cases where such individuals or families are unable to meet such expenses or needs through assistance under other provisions of this Act, or from other means. The Governor of a State shall administer the grant program authorized by this section.

(b) The Federal share of a grant to an individual or a family under this section shall be equal to 75 per centum of the actual cost of meeting such an expense or need and shall be made only on condition that the remaining 25 per centum of such cost is paid to such individual or family from funds made available by a State. Where a State is unable immediately to pay its share, the President is authorized to advance to such State such 25 per centum share. [, and any such advance is to be repaid to the United States when such State is able to do so.] *Such advances shall bear interest from the date of the advance at a rate determined by the Secretary of the Treasury, taking into consideration the current market yields on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the reimburse-*

ment period of the loan or advance. Repayment of such advances and of interest which accrues on the advances may be deferred for no longer than two years from the date of the major disaster declaration. No individual and no family shall receive any grant or grants under this section aggregating more than $5,000 with respect to any one major disaster.

(c) The President shall promulgate regulations to carry out this section and such regulations shall include national criteria, standards, and procedures for the determination of eligibility for grants and the administration of grants made under this section.

(d) A State may expend not to exceed 3 per centum of any grant made by the President to it under subsection (a) of this section for expenses of administering grants to individuals and families under this section. *Whenever a State demonstrates efficiency by promptly completing all grants to eligible individuals and families within the period prescribed by the President, the State may be reimbursed for 50 per centum of those administrative expenses which exceed 3 per centum of the Federal grant made under subsection (a) of this section.*

(e) This section shall take effect as of April 20, 1973.

FOOD COUPONS AND DISTRIBUTIONS

SEC. [409.]*411.* (a) Whenever the President determines that, as a result of a major disaster, low-income households are unable to purchase adequate amounts of nutritious food, he is authorized, under such terms and conditions as he may prescribe, to distribute through the Secretary of Agriculture or other appropriate agencies coupon allotments to such households pursuant to the provisions of the Food Stamp Act of 1964 (P.L. 91-671; 84 Stat. 2048) and to make surplus commodities available pursuant to the provisions of this Act.

(b) The President, through the Secretary of Agriculture or other appropriate agencies, is authorized to continue to make such coupon allotments and surplus commodities available to such households for so long as he determines necessary, taking into consideration such factors as he deems appropriate, including the consequences of the major disaster on the earning power of the households, to which assistance is made available under this section.

(c) Nothing in this section shall be construed as amending or otherwise changing the provisions of the Food Stamp Act of 1964 except as they relate to the availability of food stamps in an area affected by a major disaster.

FOOD COMMODITIES

SEC. [410.]*412.* (a) The President is authorized and directed to assure that adequate stocks of food will be ready and conveniently available for emergency mass feeding or distribution in any area of the United States which suffers a major disaster or emergency.

(b) The Secretary of Agriculture shall utilize funds appropriated under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to purchase food commodities necessary to provide adequate supplies for use in any area of the United States in the event of a major disaster or emergency in such area.

RELOCATION ASSISTANCE

SEC. [411.]*413.* Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by such Act.

LEGAL SERVICES

SEC. [412.]*414.* Whenever the President determines that low-income individuals are unable to secure legal services adequate to meet their needs as a consequence of a major disaster, consistent with the goals of the programs authorized by this Act, the President shall assure that such programs are conducted with the advice and assistance of appropriate Federal agencies and State and local bar associations.

CRISIS COUNSELING ASSISTANCE AND TRAINING

SEC. [413.] *415.* The President is authorized [(through the National Institute of Mental Health)] to provide professional counseling services, including financial assistance to State or local agencies or private mental health organizations to provide such services or training of disaster workers, to victims of major disasters in order to relieve mental health problems caused or aggravated by such major disaster or its aftermath.

COMMUNITY DISASTER LOANS

SEC. [414.] *416.* (a) The President is authorized to make loans to any local government which may suffer a substantial loss of tax and other revenues as a result of a major disaster, and has demonstrated a need for financial assistance in order to perform its governmental functions. The amount of any such loan shall be based on need, and shall not exceed 25 per centum of the annual operating budget of that local government for the fiscal year in which the major disaster occurs. Repayment of all or any part of such loan to the extent that revenues of the local government during the three full fiscal year period following the major disaster are insufficient to meet the operating budget of the local government, including additional disaster-related expenses of a municipal operation character shall be cancelled.

(b) Any loans made under this section shall not reduce or otherwise affect any grants or other assistance under this Act.

(c)(1) Subtitle C of title I of the State and Local Fiscal Assistance Act of 1972 (P.L. 92-512; 86 Stat. 919) is amended by adding at the end thereof the following new section:

"SEC. 145. ENTITLEMENT FACTORS AFFECTED BY MAJOR DISASTERS.

"In the administration of this title the Secretary shall disregard any change in data used in determining the entitlement of a State government or a unit of local government for a period of 60 months if that change—

"(1) results from a major disaster determined by the President under section 301 of the Disaster Relief Act of 1974, and

"(2) reduces the amount of the entitlement of that State government or unit of local government.".

(2) The amendment made by this section takes effect on April 1, 1974.

EMERGENCY COMMUNICATIONS

SEC. [415.] *417.* The President is authorized during, or in anticipation of, [an emergency or] *(a)* major disaster to establish temporary communications systems and to make such communications available to State and local government officials and other persons as he deems appropriate.

EMERGENCY PUBLIC TRANSPORTATION

SEC. [416.] *418.* The President is authorized to provide temporary public transportation service in an area affected by a major disaster to meet emergency needs and to provide transportation to governmental offices, supply centers, stores, post offices, schools, major employment centers, and such other places as may be necessary in order to enable the community to resume its normal pattern of life as soon as possible.

FIRE SUPPRESSION GRANTS

SEC. [417.] *419.* The President is authorized to provide assistance, including grants, equipment, supplies, and personnel, to any State for the suppression of any fire on publicly or privately owned forest or grassland which threatens such destruction as would constitute a major disaster.

TIMBER SALE CONTRACTS

SEC. [418.] *420.* (a) Where an existing timber sale contract between the Secretary of Agriculture or the Secretary of the Interior and a timber purchaser does not provide relief from major physical change not due to negligence of the purchaser prior to approval of construction of any section of specified road or of any other specified development facility and, as a result of a major disaster, a major physical change results in additional construction work in connection with such road or facility by such purchaser with an estimated cost, as determined by the appropriate Secretary, (1) of more than $1,000 for sales under one million board feet, (2) of more than $1 per thousand board feet for sales of one to three million board feet, or (3) of more than $3,000 for sales over three million board feet, such increased construction cost shall be borne by the United States.

(b) If the appropriate Secretary determines that damages are so great that restoration, reconstruction, or construction is not practical under the cost-sharing arrangement authorized by subsection (a) of this section, he may allow cancellation of a contract entered into by his Department notwithstanding contrary provisions therein.

(c) The Secretary of Agriculture is authorized to reduce to seven days the minimum period of advance public notice required by the first section of the Act of June 4, 1897 (16 U.S.C. 476), in connection with the sale of timber from national forests, whenever the Secretary determines that (1) the sale of such timber will assist in the construction of any area of a State damaged by a major disaster, (2) the sale of such timber will assist in sustaining the economy of such area, or (3) the sale of such timber is necessary to salvage the value of timber damaged in such major disaster or to protect undamaged timber.

[(d) The President, when he determines it to be in the public interest, is authorized to make grants to any State or local government for the purpose of removing from privately owned lands timber damaged as a result of a major disaster, and such State or local government is authorized upon application, to make payments out of such grants to any person for reimbursement of expenses actually incurred by such person in the removal of damaged timber, not to exceed the amount that such expenses exceed the salvage value of such timber.]

[IN-LIEU CONTRIBUTION

[SEC. 419. In any case in which the Federal estimate of the total cost of (1) repairing, restoring, reconstructing, or replacing, under section 402, all damaged or destroyed public facilities owned by a State or local government within its jurisdiction, and (2) emergency assistance under section 306 and debris removed under section 403, is less than $25,000, then on application of a State or local government, the President is authorized to make a contribution to such State or local government under the provisions of this section in lieu of any contribution to such State or local government under section 306, 402, or 403. Such contribution shall be based on 100 per centum of such total estimated cost, which may be expended either to repair, restore, reconstruct, or replace all such damaged or destroyed public facilities, to repair, restore, reconstruct, or replace certain selected damaged or destroyed public facilities, to construct new public facilities which the State or local government determines to be necessary to meet its needs for governmental services and functions in the disaster-affected areas, or to undertake disaster work as authorized in section 306 or 403. The cost of repairing, restoring, reconstructing, or replacing damaged or destroyed public facilities shall be estimated on the basis of the design of each such facility as it existed immediately prior to such disaster and in conformity with current applicable codes, specifications and standards.]

[TITLE V—ECONOMIC RECOVERY FOR DISASTER AREAS

[AMENDMENT TO PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

[SEC. 501. The Public Works and Economic Development Act of 1965, as amended, is amended by adding at the end thereof the following new title:

[“TITLE VIII—ECONOMIC RECOVERY FOR DISASTER AREAS

[“PURPOSE OF TITLE

[“SEC. 801. (a) It is the purpose of this title to provide assistance for the economic recovery, after the period of emergency aid and replacement of essential facilities and services, of any major disaster area which has suffered a dislocation of its economy of sufficient severity to require (1) assistance in planning for development to replace that lost in the major disaster; (2) continued coordination of assistance available under Federal-aid programs; and (3) continued assistance toward the restoration of the employment base.

[“(b) As used in this title, the term ‘major disaster’ means a major disaster declared by the President in accordance with the Disaster Relief Act of 1974.

[“DISASTER RECOVERY PLANNING

[“SEC. 802. (a)(1) In the case of any area affected by a major disaster the Governor may request the President for assistance under this title. The Governor, within thirty days after authorization of such assistance by the President, shall designate a Recovery Planning Council for such area or for each part thereof.

[“(2) Such Recovery Planning Council shall be composed of not less than five members, a majority of whom shall be local elected officials of political subdivisions within the affected areas, at least one representative of the State, and a representative of the Federal Government appointed by the President in accordance with paragraph (3) of this subsection. During the major disaster, the Federal coordinating officer shall also serve on the Recovery Planning Council.

[“(3) The Federal representative on such Recovery Planning Council may be the Chairman of the Federal Regional Council for the affected area, or a member of the Federal Regional Council designated by the Chairman of such Regional Council. The Federal representative on such Recovery Planning Council may be the Federal Cochairman of the Regional Commission established pursuant to title V of this Act, or the Appalachian Regional Development Act of 1965, or his designee, where all of the area affected by a major disaster is within the boundaries of such Commission.

[“(4) The Governor may designate an existing multijurisdictional organization as the Recovery Planning Council where such organization complies with paragraph (2) of this subsection with the addition of State and Federal representatives except that if all or part of an area affected by a major disaster is within the jurisdiction of an existing multijurisdictional organization established under title IV of this Act or title III of the Appalachian Regional Development Act of 1965, such organization, with the addition of State and Federal representatives in accordance with paragraph (2) of this subsection, shall be designated by the Governor as the Recovery Planning Council. In any case in which such title III or IV organization is designated as the Recovery Planning Council under this paragraph, some local elected officials of political subdivisions within the affected areas must be appointed to serve on such Recovery Planning Council. Where possible, the organization designated as the Recovery Planning Council shall be or shall be subsequently designated as the appropriate agency required by section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3334) and by the Intergovernmental Cooperation Act of 1968 (P.L. 90–577; 82 Stat. 1098).

[“(5) The Recovery Planning Council shall include private citizens as members to the extent feasible, and shall provide for and encourage public participation in its deliberations and decisions.

[“(b) The Recovery Planning Council (1) shall review existing plans for the affected area; and (2) may recommend to the Governor and responsible local governments such revisions as it determines necessary for the economic recovery of the area, including the development of new plans and the preparation of a recovery investment plan for the 5-year period following the declaration of the major disaster. The Recovery Planning Council shall accept as one element of the recovery investment plans determinations made under section 402(f) of the Disaster Relief Act of 1974.

[“(c)(1) A recovery investment plan prepared by a Recovery Planning Council may recommend the revision, deletion, reprograming, or additional approval of Federal-aid projects and programs within the area—

[“(A) for which application has been made but approval not yet granted;

[“(B) for which funds have been obligated or approval granted but construction not yet begun;

[“(C) for which funds have been or are scheduled to be apportioned within the five years after the declaration of the disaster;

[“(D) which may otherwise be available to the area under any State schedule or revised State schedule of priorities; or

[“(E) which may reasonably be anticipated as becoming available under existing programs.

[“(2) Upon the recommendation of the Recovery Planning Council and the request of the Governor, any funds for projects or programs identified pursuant to paragraph (1) of this subsection may, to any extent consistent with appropriation Acts, be placed in reserve by the responsible Federal agency for use in accordance with such recommendations. Upon the request of the Governor and with the concurrence of affected local governments, such funds may be transferred to the Recovery Planning Council to be expended in the implementation of the recovery investment plan, except that no such transfer may be made unless such expenditure is for a project or program for which such funds originally were made available by an appropriation Act.

[“PUBLIC WORKS AND DEVELOPMENT FACILITIES GRANTS AND LOANS

[“Sec. (a) The President is authorized to provide funds to any Recovery Planning Council for the implementation of a recovery investment plan by public bodies. Such funds may be used—

[“(1) to make loans for the acquisition or development of land and improvements for public works, public service, or development facility usage, including the acquisition or development of parks or open spaces, and the acquisition, construction, rehabilitation, alteration, expansion, or improvement of such facilities, including related machinery and equipment, and

[“(2) to make supplementary grants to increase the Federal share for projects for which funds are reserved pursuant to subsection (c)(2) of section 802 of this Act, or other Federal-aid projects in the affected area.

[“(b) Grants and loans under this section may be made to any State, local government, or private or public nonprofit organization representing any area or part thereto affected by a major disaster.

[“(c) No supplementary grant shall increase the Federal share of the cost of any project to greater than 90 per centum, except in the case of a grant for the benefit of Indians or Alaska Natives, or in the case of any State or local government which the President determines has exhausted its effective taxing and borrowing capacity.

[“(d) Loans under this section shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, less 1 per centum per annum.

[“(e) Financial assistance under this title shall not be extended to assist establishments relocating from one area to another or to assist subcontractors whose purpose is to divest, or whose economic success is dependent upon divesting, other contractors or subcontractors of contracts therefore customarily performed by them. Such limitations shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary of Commerce finds that the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment of the area of original location or in any other area where such entity conducts business operations, unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any othe area where it conducts such operations.

[“LOAN GUARANTEES

[“SEC. 804. The President is authorized to provide funds to Recovery Planning Councils to guarantee loans made to private borrowers by private lending institutions (1) to aid in financing any project within an area affected by a major disaster for the purchase or development of land and facilities (including machinery and equipment) for industrial or commercial usage including the construction of new buildings, and rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargment of existing buildings; and (2) for working capital in connection with projects in areas assisted under paragraph (1), upon application of such institution and upon such terms and conditions as the President may prescribe. No such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan.

[“TECHNICAL ASSISTANCE

[“SEC. 805. (a) In carrying out the purposes of this title the President is authorized to provide technical assitance which would be useful in facilitating economic recovery in areas affected by major disasters. Such assistance shall include project planning and feasibility studies, management and operational assistance, and studies evaluating the needs of, and developing potentialities for, economic recovery of such areas. Such assistance may be provided by the President directly, through the payment of funds authorized for this title to other departments or agencies of the Federal Government, through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes, or through grants-in-aid to appropriate public or private nonprofit State, area, district, or local organizations.

[“(b) The President is authorized to make grants to defray not to exceed 75 per centum of the administative expenses of Recovery Planning Councils designated pursuant to section 802 of this Act. In determining the amount of the non-Federal share of such costs or expenses, the President shall give due consideration to all contributions both in cash and in kind, fairly evaluated, including but not limited to space, equipment, and services. Where practicable, grants-in-aid authorized under this subsection shall be used in conjunction with other available planning grants, to assure adequate and effective planning and economical use of funds.

AUTHORIZATION OF APPROPRIATIONS

[“SEC. 806. There is authorized to be appropriated not to exceed $250,000,000 to carry out this title.”.]

TITLE V—FEDERAL EMERGENCY ASSISTANCE PROGRAMS

PROCEDURES

SEC. 501. (a) All requests for a determination by the President that an emergency exists shall be made by the Governor of the affected State. Such request shall be based upon the Governor's finding that the situation is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. The Governor's request will furnish information describing State and local efforts and resources which have been or will be used to alleviate the emergency, and will define the type and extent of Federal aid required. As a part of this request, and as a prerequisite to emergency assistance under the Act, the Governor shall take appropriate action under State law and direct execution of the State's emergency plan. Based upon such Governor's request, the President may declare that an emergency exists.

(b) The President may exercise any authority vested in him by section 502 and section 503 of this Act with respect to an emergency when he determines that an emergency exists for which the primary

responsibility for response rests with the United States because the emergency involves a subject area for which, under the Constitution or laws of the United States, the United States exercises exclusive or preeminent responsibility and authority. The President may determine that such an emergency exists only after consultation with the Governor of the affected State, if practicable. The President's determination, however, may be made without regard to the provisions of section 501(a) of this Act.

FEDERAL ASSISTANCE

SEC. 502. In any emergency, the President may—

(a) direct any Federal agency with or without reimbursement to utilize its authorities and the resources granted to it under other Acts, including but not limited to personnel, equipment, supplies, facilities, and managerial, technical and advisory services in support of State and local emergency assistance efforts to save lives and to protect property, public health and safety or to lessen or avert the threat of a catastrophe;

(b) coordinate all Federal agencies and voluntary relief or disaster assistance organizations providing emergency assistance, and coordinate emergency assistance with State and local officials; and

(c) provide technical and advisory assistance to affected State and local governments in the performance of essential community services, warning of risks of hazards, public information and assistance in health and safety measures, management and control, and reduction of immediate threats to public health and safety.

EMERGENCY ASSISTANCE

SEC. 503. (a) In an emergency, when the Federal assistance provided pursuant to section 502 of this title is inadequate, the President may provide assistance to save lives and protect property, public health and safety, or to lessen or avert the threat of a catastrophe. When debris removal assistance is appropriate under this section, it shall be provided in accordance with the terms and conditions of section 406 of this Act.

(b) In any emergency and except as provided by subsection (c) of this section, the costs of providing emergency assistance under this section shall not exceed $5,000,000 of funds appropriated to carry out this Act.

(c) The limitation of subsection (b) of this section may be exceeded when the President determines that continued emergency assistance is immediately required; that there is a continuing and immediate risk to lives, property, public health or safety; and that necessary assistance will not otherwise be provided on a timely basis. In the event that the limitation of subsection (b) is exceeded, the President shall report to Congress on the nature and extent of emergency assistance requirements and propose additional legislation if necessary.

TITLE VI—MISCELLANEOUS

AUTHORITY TO PRESCRIBE RULES *AND ACCEPT GIFTS*

Sec. 601. *(a)* The President may prescribe such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act, and he may exercise any power or authority conferred on him by any section of this Act either directly or through such Federal agency or agencies as he may designate.

(b) In furtherance of the purposes of this Act, the President or his delegate may accept and use bequests, gifts, or donations of service, money, or property, real, personal, or mixed, tangible, or intangible. All sums received under this subsection shall be deposited in a separate fund on the books of the Treasury and shall be available for expenditure upon the certification of the President or his delegate. At the request of the President or his delegate, the Secretary of the Treasury may invest and reinvest excess monies in the fund. Such investments shall be in public debt securities with maturities suitable for the needs of the fund and shall bear interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The interest on such investments shall be credited to, and form a part of, the fund.

TECHNICAL AMENDMENTS

Sec. 602. (a) Section 701(a)(3)(B)(ii) of the Housing Act of 1954 (40 U.S.C. 461(a)(3)(B)(ii)) is amended to read as follows: "(ii) have suffered substantial damage as a result of a major disaster as declared by the President pursuant to the Disaster Relief Act of 1974;".

(b) Section 8(b)(2) of the National Housing Act (12 U.S.C. 1706c(b)(2)) is amended by striking out of the last proviso "section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "sections 102(2) and 301 of the Disaster Relief Act of 1974".

(c) Section 203(h) of the National Housing Act (12 U.S.C. 1709(h)) is amended by striking out "section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "sections 102(2) and 301 of the Disaster Relief Act of 1974".

(d) Section 211(f) of the National Housing Act (12 U.S.C. 1715l(f)) is amended by striking out of the last paragraph "the Disaster Relief Act of 1970" and inserting in lieu thereof "the Disaster Relief Act of 1974".

(e) Section 7(a)(1)(A) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress, as amended; 20 U.S.C. 241-1(a)(1)(A)), is amended by striking out "pursuant to section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "pursuant to sections 102(2) and 301 of the Disaster Relief Act of 1974".

(f) Section 16(a) of the Act of September 23, 1950 (79 U.S.C. 1158; 20 U.S.C. 646(a)) is amended by striking out "section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "sections 102(2) and 301 of the Disaster Relief Act of 1974".

(g) Section 408(a) of the Higher Education Facilities Act of 1963 (20 U.S.C. 758(a)) is amended by striking out "section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "sections 102(2) and 310 of the Disaster Relief Act of 1974".

(h) Section 165(h) of the Internal Revenue Code of 1954, relating to disaster losses (26 U.S.C. 165(h)) is amended by striking out "1970" and inserting in lieu thereof "1974".

(i) Section 5064(a) of the Internal Revenue Code of 1954 (26 U.S.C. 5064(a)), relating to losses causes by disaster, is amended by striking out "the Disaster Relief Act of 1970" and inserting in lieu thereof "the Disaster Relief Act of 1974".

(j) Section 5708(a) of the Internal Revenue Code of 1954 (26 U.S.C. 5708(a)), relating to losses caused by disaster, is amended by striking out "the Disaster Relief Act of 1970" and inserting in lieu thereof "the Disaster Relief Act of 1974".

(k) Section 3 of the Act of June 30, 1954 (68 Stat. 330, as amended by 82 Stat. 1213; 48 U.S.C. 1681 nt.), is amended by striking out of the last sentence "section 102(a) of the Disaster Relief Act of 1970" and inserting in lieu thereof "sections 102(2) and 301 of the Disaster Relief Act of 1974".

(l) Section 1820(f) of title 38, United States Code, is amended by striking "the Disaster Assistance Act of 1970" and inserting in lieu thereof "the Disaster Relief Act of 1974".

(m) Whenever reference is made in any provision of law (other than this Act), regulation, rule, record, or document of the United States to provisions of the Disaster Relief Act of 1970 (84 Stat. 1744), repealed by this Act such reference shall be deemed to be a reference to the appropriate provision of this Act.

REPEAL OF EXISTING LAW

SEC. 603. The Disaster Relief Act of 1970, as amended (84 Stat. 1744), is hereby repealed, except sections 231, 233, 234, 235, 236, 237, 301, 302, 303, and 304. Notwithstanding such repeal the provisions of the Disaster Relief Act of 1970 shall continue in effect with respect to any major disaster declared prior to the enactment of this Act.

PRIOR ALLOCATION OF FUNDS

SEC. 604. Funds heretofore appropriated and available under Public Laws 91-606, as amended, and 92-385 shall continue to be available for the purpose of providing assistance under those Acts as well as for the purposes of this Act.

EFFECTIVE DATE

SEC. 605. Except for section [408] *410,* this Act shall take effect as of April 1, 1974.

AUTHORIZATION OF APPROPRIATIONS

SEC. 606. [Except as provided by the amendment made by section 501, there are authorized to be appropriated to the President such sums as may be necessary to carry out this Act through the close of September 30, 1981, and to the Federal Emergency Management Agency such sums as may be necessary for administrative expenses through the close of September 30, 1981.] *There are authorized to be appropriated to the President to carry out this Act $100,000,000 for fiscal year 1985, $325,000,000 for fiscal year 1986,* *and $325,000,000 for fiscal year 1987, and to the Federal Emergency Management Agency for administrative expenses, $6,487,000 for fiscal year 1985, $8,237,000 for fiscal year 1986, and $9,137,000 for fiscal year 1987.*

○